

BOARD BOOK OF DECEMBER 17, 2015

J. Paul Ozer, Chair



Juan Muñoz, Vice-Chair

Leslie Bingham Escareño, Member

T. Tolbert Chisum, Member

Tom H. Gann, Member

J. B. Goodwin, Member

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

**A G E N D A
9:00 AM
December 17, 2015**

**John H. Reagan Building
JHR 140, 105 W 15th Street
Austin, Texas**

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.

Resolution Commemorating and Recognizing December 15, 2015, as Homeless Persons' Memorial Day in Texas

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. Action may be taken on any item on this agenda, regardless of how designated.

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

EXECUTIVE

- a) Board Meeting Minutes Summaries for September 11, 2015, and October 15, 2015

J. Beau Eccles
Board Secretary

LEGAL

- b) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Spring Hill Apartments (HTC 70133 / CMTS 2301)
- c) Presentation, Discussion, and Possible Action regarding a Report to Board regarding the initiation of an administrative penalty contested case hearing concerning Oak Park Apartments (HTC 91056 / CMTS 965) and adoption of an Agreed Final Order
- d) Presentation, Discussion, and Possible Action on Report to Board regarding the initiation of an administrative penalty contested case hearing concerning Southmore Park Apartments (HTC 94004/ CMTS 1204) and adoption of an Agreed Final Order

Jeffrey T. Pender
Deputy General Counsel

HOUSING RESOURCE CENTER

- e) Presentation, Discussion, and Possible Action on the 2016 State of Texas Consolidated Plan: One-Year Action Plan

Elizabeth Yevich
Director, HRC

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

- f) Presentation, Discussion, and Possible Action on the 2016 Section 8 Payment Standards for Housing Choice Voucher Program ("HCVP") for additional service areas

Brooke Boston
Deputy Executive
Director

COMMUNITY AFFAIRS

- g) Presentation, Discussion, and Possible Action on Awards for Program Year 2015 Community Services Block Grant Discretionary Funds Notice of Funding Availability I: Services to Native American; and Migrant and Seasonal Farmworker Populations

Michael DeYoung
Director, Community
Affairs

MULTIFAMILY FINANCE

- h) Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer
- | | |
|--|---------|
| 15409 Pleasant Hill Village Apartments | Houston |
| 15411 Denton Apartments | Denton |
| 15417 87th Street | Odessa |
| 15421 Urban Oaks | Austin |
- i) Presentation, Discussion, and Possible Action regarding the HOME funds available to 1500 MLK, LLC for development of Royal Gardens Mineral Wells
- j) Presentation, Discussion, and Possible Action on the application of the At Risk Set-aside to an application undergoing a conversion under the Rental Assistance Demonstration (“RAD”) program

Marni Holloway
Director, MF Finance

HOME PROGRAM

- k) Presentation, Discussion, and Possible Action on an amendment to a HOME Homeowner Rehabilitation Assistance Household Commitment Contract issued under Reservation Agreement 2012-0800 for the reconstruction of a single family home by WREM Literacy Group, Inc. under the Disaster set-aside 1002069

Jennifer Molinari
Director, HOME Program

ASSET MANAGEMENT

- l) Presentation, Discussion and Possible Action regarding Material Amendments to Housing Tax Credit Application and Land Use Restriction Agreement
- | | |
|----------------------------|---------|
| 94023 Creekwood Apartments | Houston |
|----------------------------|---------|
- m) Presentation, Discussion, and Possible Action to Approve Ownership Transfer and Material Amendment to the Housing Tax Credit Land Use Restriction Agreement
- | | |
|----------------------------------|---------|
| 12252 Gulf Coast Arms Apartments | Houston |
|----------------------------------|---------|
- n) Presentation, Discussion, and Possible Action to Approve a Waiver of 10 TAC §10.101(a) regarding One-Hundred Year Floodplain
- | | |
|-----------------------|---------|
| 14182 Prairie Gardens | Abilene |
|-----------------------|---------|
- o) Presentation, Discussion and Possible Action regarding Placed in Service Deadline Extension pursuant to Major Disaster Declaration
- | | |
|--------------------------------|---------|
| 13187 Barron’s Branch | Waco |
| 13201 Trails at Carmel Creek | Hutto |
| 13240 Summit Place | Dallas |
| 13117 The Estates at Ellington | Houston |

Raquel Morales
Director, Asset
Management

RULES

- p) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 1, Subchapter A, General Policies and Procedures §1.23 concerning State of Texas Low Income Housing Plan and Annual Report, and directing their publication for public comment in the *Texas Register*
- q) Presentation, Discussion, and Possible Action on the draft 2016 State of Texas Low Income Housing Plan and Annual Report to be published in the *Texas Register* for public comment
- r) Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions §5.7 concerning Fidelity Bond Requirements, and directing that it be published in the *Texas Register*

Elizabeth Yevich
Director, HRC

Michael DeYoung
Director, Community
Affairs

- s) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 12, concerning the Multifamily Housing Revenue Bond Rules, and an order adopting the new 10 TAC Chapter 12 concerning the Multifamily Housing Revenue Bond Rules, and directing its publication in the *Texas Register*
- t) Presentation, Discussion, and Possible Actions proposed: first, amendments to 10 TAC Chapter 10 Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.620 (concerning Monitoring for Non-Profit Participation or HUB Participation); second, the proposed repeal of §10.610 (concerning Tenant Selection Criteria) and §10.614 (concerning Utility Allowances); and, third, the proposed new §10.610 (concerning Written Policies and Procedures) and §10.614 (concerning Utility Allowances) and directing that these be published for public comment in the *Texas Register*

Marni Holloway
Director, MF Finance

Stephanie Naquin
Director, Multifamily
Compliance

BOND FINANCE

- u) Presentation, Discussion, and Possible Action on Resolution 16-008 authorizing the form and substance of amendments to the Single Family Mortgage Revenue Bond Trust Indenture; authorizing the execution of the 62nd Supplemental Single Family Mortgage Revenue Bond Trust Indenture and other documents and instruments relating to the foregoing; making certain findings and determinations in connection therewith; and containing other provisions relating to the subject
- v) Presentation, Discussion, and Possible Action on Resolution 16-009 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board (the “BRB”) with respect to qualified mortgage bonds

Monica Galuski
Director, Bond Finance

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

- a) TDHCA Outreach Activities, November 2015
- b) Report Regarding Reduced Contract Amounts resulting from the Voluntary Financial Commitment of Funds from Homeless Housing and Services Program (“HHSP”) Subrecipients for *Youth Count Texas!*
- c) Report on the Site and Neighborhood review process for HOME funded multifamily developments
- d) Report on the Draft Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the Housing Trust Fund

Michael Lyttle
Chief, External Affairs

Brooke Boston
Deputy Executive
Director

Marni Holloway
Director, MF Finance

David Cervantes
Chief Financial Officer

ACTION ITEMS

ITEM 3: REPORTS

- a) Report on the Section 811 PRA Program
- b) Report on Area Accomplishments by Deputy Executive Director, Brooke Boston
- c) Report Regarding the Progress of *Youth Count Texas!*

Brooke Boston
Deputy Executive
Director

Elizabeth Yevich
Director, HRC

ITEM 4: COMMUNITY AFFAIRS

Presentation, Discussion, and Possible Action on the Award of Comprehensive Energy Assistance Program and Community Services Block Grant Program contracts to Community Services of Northeast Texas, Inc. to provide services in Delta, Franklin, Hopkins, Lamar, Rains, Red River, and Titus counties

Michael DeYoung
Director, Community
Affairs

ITEM 5: ASSET MANAGEMENT

- a) Presentation, Discussion and Possible Action regarding Material Amendments to Housing Tax Credit Application and Land Use Restriction Agreement
94039 Willow Pond Apartments Dallas
- b) Presentation, Discussion, and Possible Action regarding Placed in Service Deadline Extension pursuant to the *Forve Majeure* Provision in the 2015 Qualified Allocation Plan
13119 Emma Finke Villas Beeville

Raquel Morales
Director, Asset
Management

ITEM 6: MULTIFAMILY FINANCE

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under any of the Department's Program Rules

Marni Holloway
Director, MF Finance

15093 Stonebridge at Childress Childress

ITEM 7: HOME PROGRAM

Presentation, Discussion, and Possible Action on amendments extending the contract period for HOME Household Commitment Contracts issued under Reservation Agreements issued to the City of Paris and WREM Literacy Group for the reconstruction of single family homes that are located in areas subsequently designated as federal declared disaster areas, and Board authorization for staff to consider approving future extension requests for activities in federally declared disaster areas

Jennifer Molinari
Director, HOME Program

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

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 Tex. Gov't Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;
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;
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; including seeking legal advice in connection with a posted agenda item;
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; and/or-
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 and details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Michael Lyttle, 512-475-4542, TDHCA, 221 East 11th Street, Austin, Texas 78701, and request the information.

If you would like to follow actions taken by the Governing Board during this meeting, please follow TDHCA account (@tdhca) on Twitter.

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989, at least three (3) days before the meeting so that appropriate arrangements can be made.

Non-English speaking individuals who require interpreters for this meeting should contact Elena Peinado, 512-475-3814, at least three (3) days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Elena Peinado al siguiente número 512-475-3814 por lo menos tres días antes de la junta para hacer los preparativos apropiados.

Texas Department of Housing and Community Affairs
RESOLUTION

WHEREAS, December 21, 2015, is National Homeless Persons' Memorial Day, which annually falls on the longest night of the year;

WHEREAS, the purposes of the Texas Department of Housing and Community Affairs (the "Department") include providing safe, decent, and affordable housing to individuals and families of low, very low, and extremely low income and families of moderate income; and serving as the lead agency for addressing at the state level the problem of homelessness;

WHEREAS, the Department thereby has a goal to improve the living conditions of persons who are at-risk of homelessness and persons experiencing homelessness;

WHEREAS, it is the policy of the Department to support equal, accessible housing opportunity through the assistance provided by its poverty-alleviation and homelessness prevention programs and services;

WHEREAS, the Department applauds all those who work in partnership with persons in poverty and persons experiencing homelessness to provide housing and move toward self-sufficiency;

WHEREAS, the Department encourages Texans and Texas communities to forge local partnerships that can prevent and minimize homelessness and to provide housing that allows persons at risk of homelessness or experiencing homelessness to move toward self-sufficiency; and

WHEREAS, the Department encourages Texans during the longest night of the year to honor and remember individuals and families who face hardships, or have lost their lives due to extreme conditions of living in places not meant for human habitation, combined with the various health conditions that may be attributed to loss of housing;

Now, therefore, it is hereby RESOLVED, that in the pursuit of the goals of providing safe, decent, affordable housing and improving the living conditions of persons who are at risk of homelessness and persons experiencing homelessness, the Governing Board of the Texas Department of Housing and Community Affairs, does hereby commemorate and recognize December 21, 2015, as Homeless Persons' Memorial Day in Texas and encourages all Texas individuals and organizations, public and private, to join in this observance of National Homelessness Persons' Memorial Day.

Signed this Seventeenth Day of December 2015.



J. Paul Ozer, Chair

Dr. Juan Muñoz, Vice Chair

Leslie Bingham Escareño, Member

Tom H. Gann, Member

T. Tolbert Chisum, Member

J. B. Goodwin, Member

Timothy K. Irvine,
Executive Director

CONSENT AGENDA

1a

BOARD ACTION REQUEST

BOARD SECRETARY

DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Board Meeting Minutes Summaries for September 11, 2015, and October 15, 2015

RECOMMENDED ACTION

Approve Board Meeting Minutes Summaries for September 11, 2015, and October 15, 2015.

RESOLVED, that the Board Meeting Minutes Summaries for September 11, 2015, and October 15, 2015, are hereby approved as presented.

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
September 11, 2015

On Thursday, the eleventh day of September, 2015, at 10:20 a.m., the regular monthly meeting of the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA" or the "Department") was held in Room JHR 140, John H. Reagan Building, 105 W. 15th Street, Austin, Texas.

The following members, constituting a quorum, were present and voting:

- J. Paul Oxer
- Dr. Juan Muñoz
- T. Tolbert Chisum
- Leslie Bingham Escareño
- Thomas H. Gann
- J.B. Goodwin

J. Paul Oxer served as Chair, and James "Beau" Eccles served as secretary.

1) Tim Irvine, TDHCA Executive Director, provided comments regarding TDHCA staff work on the agenda items and also introduced Marni Holloway as the soon-to-be TDHCA Director of Multifamily Finance.

2) Action Item 1(a) – Presentation, Discussion, and Possible Action on proposed repeals of 10 TAC Chapter 10 Subchapter A, concerning General Information and Definitions, Subchapter B, concerning Site and Development Requirements and Restrictions, Subchapter C, concerning Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules for Applications, and Subchapter G, concerning Fee Schedule, Appeals and Other Provisions, and a proposed new 10 TAC Chapter 10 Subchapter A, concerning General Information and Definitions, Subchapter B, concerning Site and Development Requirements and Restrictions, Subchapter C, concerning Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules for Applications, and Subchapter G, concerning Fee Schedule, Appeals and Other Provisions, and directing their publication for public comment in the Texas Register – was presented by Teresa Morales, TDHCA Acting Director of Multifamily Finance. Following public comment (below), the Board unanimously approved the amended staff recommendation for the repealing and publishing of the aforementioned draft rules.

- Janine Sisak, Texas Affiliation of Affordable Housing Providers, provided comments regarding the rules draft
- Diana McIver, DMA Development, provided comments regarding the rules draft
- Joy Horak-Brown, New Hope Housing, provided comments regarding the rules draft
- Lora Myrick, BETCO Consulting, provided comments regarding the rules draft
- Sally Burchett, Structure Development, provided comments regarding the rules draft
- Teri Anderson, Anderson Development and Construction, provided comments regarding the rules draft

3) Action Item 1(b) – Presentation, Discussion, and Possible Action on the proposed repeal of 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan, and a proposed new 10 TAC Chapter 11, concerning the Housing Tax Credit Program Qualified Allocation Plan, and directing its publication for public comment in the Texas Register – was presented by Kathryn Saar, TDHCA Administrator of the 9% Housing Tax Credit Program, with additional information from Mr. Irvine and Mr. Eccles. Following public comment (below), the Board unanimously approved the amended staff recommendation for the repealing and publishing of the aforementioned draft rules.

- The Honorable Brooks Landgraf, State Representative for Texas House District 81, provided comments regarding the rules draft
- Terri Thompson, Southeast Texas Housing Finance Corporation and Texas Association of Local Housing Finance Agencies, provided comments regarding the rules draft
- Diana McIver, DMA Development, provided comments regarding the rules draft
- Tracey Fine, National Church Residences, provided comments regarding the rules draft
- Maddie Sloan, Texas Applesseed and Texas Low Income Housing Information Service, provided comments regarding the rules draft
- Darrell Jack, Apartment Market Data, provided comments regarding the rules draft
- Robbye Meyer, Arx Advantage, provided comments regarding the rules draft
- Sarah Anderson, Anderson Consulting, provided comments regarding the rules draft
- Joy Horak-Brown, New Hope Housing, provided comments regarding the rules draft
- Lisa Stephens, Sagebrook Development and TX-CAD, provided comments regarding the rules draft
- Kyndel Bennett, Cayetano Housing, provided comments regarding the rules draft
- Kathy Tyler, Motivation, Education, and Training, Inc., provided comments regarding the rules draft
- Teri Anderson, Anderson Development and Construction, provided comments regarding the rules draft
- Lora Myrick, BETCO Consulting, provided comments regarding the rules draft
- Sara Reidy, Casa Linda Development Corporation, provided comments regarding the rules draft
- Dennis Hoover, Rural Rental Housing Association of Texas, provided comments regarding the rules draft
- David Kim, City of Houston Department of Housing and Community Development, provided comments regarding the rules draft
- Jean Latsha, Pedcor Investments, provided comments regarding the rules draft
- Dan O'Day, Delphi Affordable Asset Group, provided comments regarding the rules draft
- Sally Burchett, Structure Development, provided comments regarding the rules draft
- Clark Colvin, ITEX Group, provided comments regarding the rules draft
- Matt Hull, Texas Association of Community Development Corporations, provided comments regarding the rules draft

4) Action Item 1(c) – Presentation, Discussion, and Possible Action on the proposed repeal of 10 TAC Chapter 10 Subchapter D concerning Underwriting and Loan Policy and a proposed new 10 TAC Chapter 10 Subchapter D and directing their publication for public comment in the Texas Register – was presented by Brent Stewart, TDHCA Director of Real Estate Analysis. Following public comment (below), the Board unanimously approved staff recommendation for the repealing and publishing of the aforementioned draft rules.

- Janine Sisak, Texas Affiliation of Affordable Housing Providers, provided comments regarding the rules draft
- Jana Cormier, JP Development Consulting, provided comments regarding the rules draft
- Darrell Jack, Apartment Market Data, provided comments regarding the rules draft

5) Action Item 1(d) – Presentation, Discussion and Possible Action on the proposed repeal of 10 TAC Chapter 10 Subchapter E concerning Post Award and Asset Management Requirements and a proposed new 10 TAC Chapter 10 Subchapter E and directing their publication for public comment in the Texas Register – was presented by Raquel Morales. The Board unanimously approved staff recommendation for the repealing and publishing of the aforementioned draft rules.

6) At 12:39 p.m. the Board went into Executive Session and reconvened in open session at 2:07 p.m. No action was taken in or as a result of Executive Session.

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 2:50 p.m. The next meeting is set for Thursday, October 15, 2015.

Secretary

Approved:

Chair

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
October 15, 2015

On Thursday, the fifteenth day of October, 2015, at 10:00 a.m., the regular monthly meeting of the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA" or the "Department") was held in Room JHR 140, John H. Reagan Building, 105 W. 15th Street, Austin, Texas.

The following members, constituting a quorum, were present and voting:

- J. Paul Oxer
- T. Tolbert Chisum
- Leslie Bingham Escareño
- Thomas H. Gann
- J.B. Goodwin

J. Paul Oxer served as Chair, and James "Beau" Eccles served as secretary.

1) The Consent Agenda was approved unanimously by the Board with the following item receiving clarification by TDHCA staff prior to approval: Item 1(j) – Presentation, Discussion, and Possible Action regarding a Waiver of 10 TAC §10.204(8)(B), Uniform Multifamily Rules related to the Submission of an Alternative Utility Allowance and a Determination Notice for Housing Tax Credits with another Issuer for #15410 Aldrich 51 in Austin.

2) Action Item 3(a) –Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under any of the Department's Program Rules regarding #15000 Palm Parque in Houston and #15001 Selinsky Street Supportive Housing in Houston – was presented by Marni Holloway, TDHCA Director of Multifamily Finance. There was no public comment during the Board's consideration of the item and it unanimously approved staff recommendation to deny the appeals. The following comment was provided after the Board's deliberation on the item:

- Toni Jackson, attorney representing the appellant, asked the Board at the end of public comment on Action Item 3(b) to re-consider Action Item 3(a). The Board chose not to re-consider the item.

3) Action Item 3(b) – Presentation and Discussion on the development of the 2015-2 Multifamily Direct Loan Notice of Funding Availability (NOFA) – was presented by Ms. Holloway. The Board heard staff presentation and public comment (listed below) and took no action.

- Judy Telge, Coastal Bend Center for Independent Living, provided comments on the NOFA
- Isabelle Headrick, Accessible Housing Austin!, provided comments on the NOFA
- Jennifer Hicks, Foundation Communities, provided comments on the NOFA
- Joy Horak-Brown, New Hope Housing, provided comments on the NOFA
- Sarah Anderson, SAnderson Consulting, provided comments on the NOFA
- Craig Taylor, Communities for Veterans, provided comments on the NOFA
- Terri Anderson, Anderson Development and Construction, provided comments on the NOFA

- Bill Fisher, Sonoma Housing, provided comments on the NOFA

4) Action Item 4 – Presentation, Discussion and Possible Action regarding Material Amendments to Housing Tax Credit Applications #14127 Haymon Krupp in El Paso, #14130 Tays in El Paso, and #13417 Masters Ranch Apartments in San Antonio – was presented by Raquel Morales, TDHCA Director of Asset Management, with additional information from Tim Irvine, TDHCA Executive Director. Following public comment (listed below), the Board unanimously approved staff recommendation to approve the material amendment requests for #14127 Haymon Krupp and #14130 Tays in El Paso. Following public comment (listed below), the Board unanimously approved staff recommendation to deny the material amendment request for #13417 Masters Ranch Apartments in San Antonio.

- Barry Palmer, Coats Rose, provided information to the Board per their request regarding #14127 and #14130
- Gerry Cichon, Housing Authority of the City of El Paso, provided information to the Board per their request regarding #14127 and #14130
- Cynthia Bast, Locke Lord, provided information to the Board per their request regarding #13417

5) The following public comment was made on matters other than items for which there were posted agenda items:

- Barry Palmer, Coats Rose, asked the Board to include an agenda item at a future meeting regarding placed-in-service dates for multifamily transactions using 2013 or 2014 housing tax credits
- Sarah Anderson, SAnderson Consulting, asked the Board to include an agenda item at a future meeting regarding the department's carryover documents to ensure consistency with the Qualified Allocation Plan ("QAP")
- David Nisivoccia, San Antonio Housing Authority, provided comments on the draft 2016 QAP
- Mary Ellen Burns, United Way of San Antonio and Bexar County, provided comments on the draft 2016 QAP
- Dr. Emilio Castro, San Antonio Independent School District, provided comments on the draft 2016 QAP
- Mike Etienne, City of San Antonio, provided comments on the draft 2016 QAP
- Matt Long, Cayetano Housing, provided comments on the draft 2016 QAP
- Ginger McGuire, Rural Rental Housing Association, provided comments on the draft 2016 QAP
- Terri Anderson, Anderson Development and Construction, provided comments regarding Breast Cancer Awareness Month
- Robert McVey, chief of staff for The Honorable Ryan Guillen, State Representative for Texas House District 31, provided comments on the draft 2016 QAP
- Louis Bernardy, McCormick-Behrens-Salazar, Inc., provided written comments regarding the draft 2016 QAP
- Tim Alcott, San Antonio Housing Authority, provided written comments regarding the draft 2016 QAP

6) At 11:20 a.m. the Board went into Executive Session and reconvened in open session at 12:10 p.m. No action was taken in or as a result of Executive Session.

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 12:34 p.m. The next meeting is set for Thursday, November 12, 2015.

Secretary

Approved:

Chair

1b

BOARD ACTION REQUEST

LEGAL DIVISION

DECEMBER 17, 2015

Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Spring Hill Apartments (HTC 70133 / CMTS 2301)

RECOMMENDED ACTION

WHEREAS, Spring Hill Apartments (HTC 70133 / CMTS 2301), owned by Presidium Group, Ltd (“Owner”), has uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, on November 17, 2015, Owner’s representatives participated in an informal conference with the Enforcement Committee and agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of \$1,500, with the full amount to be forgiven if all violations are resolved as instructed in the Agreed Final Order on or before January 18, 2016;

WHEREAS, unresolved compliance findings include an affirmative marketing violation; and

WHEREAS, staff has based its recommendations for an Agreed Final Order on the Department’s rules for administrative penalties and an assessment of each and all of the statutory factors to be considered in assessing such penalties, applied specifically to the facts and circumstances present in this case;

NOW, therefore, it is hereby

RESOLVED, that an Agreed Final Order assessing an administrative penalty of \$1,500, subject to partial forgiveness as outlined above for noncompliance at Spring Hill Apartments (HTC 70133 / CMTS 2301), substantially in the form presented at this meeting, and authorizing any non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

Presidium Group, Ltd (“Owner”) is the owner of Spring Hill Apartments (“Property”), a low income apartment complex comprised of 248 units, located in Dallas. The Property is subject to a Land Use Restriction Agreement (“LURA”) signed in 1991 in consideration for an annual housing tax credit allocation in the amount of \$1,611,900 to rehabilitate and operate the Property.

The following compliance violations were referred for an administrative penalty and were resolved in October 2015, after intervention by the Enforcement Committee:

1. Utility allowance violation;
2. Written tenant selection criteria violation;
3. Household income violations for units 1101, 1113, 1115, 1141, 1143, 1149, 2106, 2117, 2121, 2159, and 2166.

The following compliance violations were referred for an administrative penalty and were resolved after the Enforcement Committee informal conference in November of 2015:

1. 2014 Annual Owner’s Compliance Report violation;
2. Quarterly Vacancy Report violations.

The following compliance violation was referred for an administrative penalty and are unresolved:

1. Affirmative marketing plan violation;

Owner participated in an informal conference with the Enforcement Committee on November 17, 2015, and agreed to sign an Agreed Final Order with the following terms:

1. A \$1,500 administrative penalty, subject to forgiveness as indicated below;
2. Owner must correct the file monitoring violations as indicated in the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before January 18, 2016;
3. If Owner complies with all requirements and addresses all violations as required, the full administrative penalty will be forgiven; and
4. If Owner violates any provision of the Agreed Final Order, the full administrative penalty will immediately come due and payable.

Consistent with direction from the Department’s Enforcement Committee, a probated and, upon successful completion of probation, partially forgivable administrative penalty in the amount of \$1,500 is recommended.

ENFORCEMENT ACTION AGAINST
PRESIDIUM GROUP, LLC WITH
RESPECT TO SPRING HILL
APARTMENTS (HTC FILE # 70133 /
CMTS # 2301)

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 17th day of December, 2015, the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA") considered the matter of whether enforcement action should be taken against **PRESIDIUM GROUP, LLC**, a Texas limited liability company ("Respondent").

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act ("APA"), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

WAIVER

Respondent acknowledges the existence of their right to request a hearing as provided by TEX. GOV'T CODE § 2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by TEX. GOV'T CODE § 2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

FINDINGS OF FACT

Jurisdiction:

1. During 1990, Springbrook Partners, Ltd ("Prior Owner") was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of \$1,611,900 to rehabilitate and operate Spring Hill Apartments ("Property") (HTC file No. 70133 / CMTS No. 2301 / LDLD No. 224).

2. Prior Owner signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective December 4, 1991, and filed of record at Volume 91240, Page 1709 of the Official Public Records of Real Property of Dallas County, Texas ("Records"), as amended. In accordance with Section 2 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.
3. Respondent took ownership of the Property and signed an agreement with TDHCA to assume the duties imposed by the LURA and to comply fully with the terms thereof (Agreement to Comply), effective November 12, 2014, and filed the same in the Records at Document Number 201400291151, thereby further binding Respondent to the terms of the LURA.
4. Respondent is a Texas limited liability company that is qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.

Compliance Violations¹:

5. An on-site monitoring review was conducted on July 10, 2014, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a May 1, 2015, corrective action deadline was set, however, the following violations were not corrected before the corrective action deadline:
 - a. Respondent failed to provide an affirmative marketing plan, a violation of 10 TEX. ADMIN. CODE §10.617 (Affirmative Marketing), which requires developments to approve and distribute an affirmative marketing plan and to distribute marketing materials to selected marketing organizations that reach groups identified as least likely to apply and to the disabled. An affirmative marketing plan was received in response to an administrative penalty informal conference notice, but the plan omitted the required marketing materials to prove that the development was carrying out marketing to the disabled;
 - b. Respondent failed to properly calculate the utility allowance for the property, a violation of 10 TEX. ADMIN. CODE §10.614 (Utility Allowances), which requires all developments to establish a utility allowance. The violation was resolved on October 15, 2015, after intervention by the Enforcement Committee and 167 days past the deadline;

¹ Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TEX. ADMIN. CODE, CHAPTERS 10 AND 60 refer to the versions of the code in effect at the time of the compliance monitoring reviews and/or inspections that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

- c. Respondent failed to maintain written tenant selection criteria, a violation of 10 TEX. ADMIN. CODE §10.610 (Tenant Selection Criteria), which requires all developments to establish written tenant selection criteria that meet minimum TDHCA requirements. The violation was resolved on October 15, 2015, after intervention by the Enforcement Committee and 167 days past the deadline;
 - d. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 1101, 1113, 1115, 1141, 1143, 1149, 2106, 2117, 2121, 2159, and 2166, a violation of 10 TEX. ADMIN. CODE §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program. The violations were resolved on October 15, 2015, after intervention by the Enforcement Committee and 167 days past the deadline;
6. On May 11, 2015 and July 1, 2015, TDHCA sent notice that Respondent had failed to timely submit their 2014 Annual Owner's Compliance Report which had come due on April 30, 2015, a violation of 10 TEX. ADMIN. CODE §10.607 (Reporting Requirements), which requires each development to submit an Annual Owner's Compliance Report.

All parts of the report were submitted on November 23, 2015, after intervention by the Enforcement Committee and 207 days past the deadline.
7. The following violations remain outstanding at the time of this order:
 - a. Affirmative marketing plan violation described in FOF #5a;

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, 10 TEX. ADMIN. CODE § 1.14 and 10 TEX. ADMIN. CODE Chapter 60, both of which were replaced by 10 TEX. ADMIN. CODE §2 as of November 19, 2014.
2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).
3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.
4. Respondent violated 10 TEX. ADMIN. CODE §10.617 in 2014, by failing to provide a complete affirmative marketing plan;
5. Respondent violated 10 TEX. ADMIN. CODE §10.614 in 2014 by failing to properly calculate and maintain a utility allowance;
6. Respondent violated 10 TEX. ADMIN. CODE §10.610 in 2014, by not maintaining written tenant selection criteria meeting TDHCA requirements;

7. Respondent violated 10 TEX. ADMIN. CODE §10.611 and Section 4 of the LURA in 2014, by failing to provide documentation that household incomes were within prescribed limits upon initial occupancy for the following units: 1101, 1113, 1115, 1141, 1143, 1149, 2106, 2117, 2121, 2159, and 2166;
8. Respondent violated 10 TEX. ADMIN. CODE §10.607 in 2015 by failing to submit the Annual Owner's Compliance Report for the year 2014;
9. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules and agreements, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
10. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
11. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code Chapter 2306 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to TEX. GOV'T CODE §2306.041.
12. An administrative penalty of \$1,500 is an appropriate penalty in accordance with 10 TAC §§60.307 and 60.308, which were in place at the time of the violations. It remains appropriate under the replacement rule at 10 TEX. ADMIN. CODE §2, which became effective on November 19, 2014.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Board of the Texas Department of Housing and Community Affairs orders the following:

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of \$1,500, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in Attachment 1 and submit full documentation of the corrections to TDHCA on or before January 18, 2016.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 Tex. Admin. Code 10.406, a copy of which is included at Attachment 2, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

IT IS FURTHER ORDERED that if Respondent timely and fully complies with the terms and conditions of this Agreed Final Order, correcting all violations as required, the satisfactory performance under this order will be accepted in lieu of the assessed administrative penalty and the full amount of the administrative penalty will be deferred and forgiven.

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, then the full administrative penalty in the amount of \$1,500 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold before the terms and conditions of this Agreed Final Order have been fully satisfied.

IT IS FURTHER ORDERED that corrective documentation must be uploaded to the Compliance Monitoring and Tracking System ("CMTS") by following the instructions at this link: <http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf>. After the upload is complete, an email must be sent to Ysella Kaseman at ysella.kaseman@tdhca.state.tx.us to inform her that the documentation is ready for review. If it comes due and payable, the penalty payment must be submitted to the following address:

If via overnight mail (FedEx, UPS):	If via USPS:
TDHCA Attn: Ysella Kaseman 221 E 11 th St Austin, Texas 78701	TDHCA Attn: Ysella Kaseman P.O. Box 13941 Austin, Texas 78711

IT IS FURTHER ORDERED that the terms of this Agreed Final Order shall be published on the TDHCA website.

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Approved by the Governing Board of TDHCA on _____, 2015.

By: _____
Name: J. Paul Ozer
Title: Chair of the Board of TDHCA

By: _____
Name: James "Beau" Eccles
Title: Secretary of the Board of TDHCA

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared J. Paul Ozer, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

STATE OF TEXAS

§
§
§

COUNTY OF _____

BEFORE ME, _____, a notary public in and for the State of _____, on this day personally appeared _____, known to me or proven to me through _____ to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he/she) executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is _____, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of _____ for Respondent. I am the authorized representative of Respondent, owner of Spring Hill Apartments, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Board of the Texas Department of Housing and Community Affairs."

RESPONDENT:

PRESIDIUM GROUP, LLC, Texas limited liability company

By: _____
 Name: _____
 Title: _____

Given under my hand and seal of office this _____ day of _____, 2015.

Signature of Notary Public

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires: _____

Attachment 1

File Monitoring Violation Resources and Instructions

1. **Affirmative marketing plan** – Respondent submitted outreach marketing efforts, however, no plan was submitted for review. In addition, the Affirmative Marketing Web Tool used to determine groups least likely to apply was using very old data and may not have been accurate. The Tool compares census data to data input by the property in the Quarterly Vacancy Report. At the time that the evidence of outreach marketing efforts was submitted, the Quarterly Vacancy Report had not been updated since 2010.

Resources:

- a. Video/Audio Training: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>
- b. FAQ's: <http://www.tdhca.state.tx.us/pmcomp/compFaq.htm>
- c. Rule:
[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y)

Instructions:

1. Submit delinquent Quarterly Vacancy Reports via CMTS to ensure that data is up to date;
2. Print the Affirmative Marketing Web Tool from <http://www.tdhca.state.tx.us/pmcomp/forms.htm> to determine groups that are least likely to apply.
3. Prepare an Affirmative Marketing Plan including the groups identified by the Affirmative Marketing Web Tool and following all requirements of 10 TEX. ADMIN. CODE §10.617.
4. Prepare outreach marketing efforts to the groups identified as least likely to apply. When preparing outreach marketing, ensure that the efforts are directed toward organizations that are specifically associated with the identified groups. For example, a local housing authority serves the general public, not a specific demographic; therefore marketing to the housing authority is not considered affirmative marketing. Likewise, marketing in a mainstream newspaper or on Craigslist is not considered affirmative marketing. An example of an acceptable form of marketing to the Hispanic community if they are identified as a group least likely to apply would be to market with a local Hispanic Chamber of Commerce. Similarly, local groups that focus on helping the mentally disabled, physically disabled, disabled veterans or the disabled elderly could be ways to market to the disabled community.
5. Submit completed Affirmative Marketing Plan along with the Affirmative Marketing Web Tool and evidence of outreach marketing efforts to groups identified as least likely to apply.

Attachment 2:

Texas Administrative Code

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 10</u>	UNIFORM MULTIFAMILY RULES
<u>SUBCHAPTER E</u>	POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
<u>RULE §10.406</u>	Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice to the Department at least thirty (30) calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Transfers that are the result of an involuntary removal of the general partner by the investment limited partner must be reported to the Department, as soon as possible due to the sensitive timing and nature of this decision. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure, staff may make a recommendation to the Board for the debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with §1.5 of this title (relating to Previous Participation Reviews), prior to recommending any new financing or allocation of credits.

(b) Requirement. Department approval must be requested for any new member to join in the ownership of a Development. Exceptions include changes to the investment limited partner, non-controlling limited partner, or other partners affiliated with the investment limited partner, or changes resulting from foreclosure wherein the lender or financial institution involved in the transaction is the resulting owner. Any subsequent transfer of the Development will be required to adhere to the process in this section. Furthermore, a Development Owner may not transfer an allocation of tax credits or ownership of a Development supported with an allocation of tax credits to any Person or entity unless the Development Owner obtains the Executive Director's prior, written approval of the transfer. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section. Notwithstanding the foregoing, a Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new members or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(c) Transfers Prior to 8609 Issuance or Construction Completion. Transfers (other than those that do not require Executive Director approval, as set forth in subsection (b) of this section) will not be approved prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) unless the Development Owner can provide evidence that the need for the transfer is due to a hardship (ex. potential bankruptcy, removal by a partner, etc.). The Development Owner must provide the Department with a written explanation describing the hardship and a copy of any applicable agreement between the parties to the transfer, including any Third-Party agreement.

(d) Non-Profit Organizations. If the ownership transfer request is to replace a non-profit organization within the Development ownership entity, the replacement non-profit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Non-Profit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Non-Profit Organization that meets the requirements of §42(h)(5) of the Code and Texas Government Code §2306.6706.

(2) If the LURA requires ownership or material participation in ownership by a qualified non-profit organization, but the Development did not receive Tax Credits pursuant to §42(h)(5) of the Code, the Development Owner must show that the transferee is a non-profit organization that complies with the LURA.

(e) Historically Underutilized Business ("HUB") Organizations. If a HUB is the general partner of a Development Owner and it (i) is being removed as the result of a default under the organizational documents of the Development Owner or (ii) determines to sell its ownership interest, in either case, after the issuance of 8609s, the purchaser of that general partnership interest is not required to be a HUB as long as the LURA does not require such continual ownership or a material LURA amendment is approved. Such approval can be obtained concurrent with Board approval described herein. All such transfers must be approved by the Board and require that the Board find that:

(1) the selling HUB is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(2) the participation by the HUB has been substantive and meaningful, or would have been substantial and meaningful had the HUB not defaulted under the organizational documents of the Development Owner, enabling it to realize not only financial benefit but to acquire skills relating to the ownership and operation of affordable housing; and

(3) the proposed purchaser meets the Department's standards for ownership transfers

(f) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances that gave rise to the need for the transfer and the effects of approval or denial. Documentation includes but is not limited to:

(1) a written explanation outlining the reason for the request;

(2) a list of the names of transferees and Related Parties;

(3) detailed information describing the experience and financial capacity of transferees and related parties holding an ownership interest of 10 percent or greater in any Principal or Controlling entity;

(4) evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least thirty (30) calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired.

(g) Within five (5) business days after the date the Department receives all necessary information under this section, staff shall initiate a qualifications review of a transferee, in accordance with §1.5 of this title, to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter.

(h) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) in cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) in cases where the general partner is being replaced if the award of credits was made at least five (5) years prior to the transfer request date.

(i) Penalties. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department.

(j) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by corresponding ownership transfer fee as outlined in §10.901 of this chapter (relating to Fee Schedule).

Source Note: The provisions of this §10.406 adopted to be effective December 9, 2014, 39 TexReg 9518

1c

BOARD ACTION REQUEST

LEGAL DIVISION

DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Report to Board regarding the initiation of an administrative penalty contested case hearing concerning Oak Park Apartments (HTC 91056 / CMTS 965) and adoption of an Agreed Final Order

RECOMMENDED ACTION

WHEREAS, Oak Park Apartments in Dallas, owned by The David Yilmaz Living Trust, has a history of uncorrected violations of the applicable land use restriction agreement ("LURA") and associated statutory and rule requirements;

WHEREAS, new file monitoring violations were identified during a file monitoring review conducted in February 2015, and a deadline of May 21, 2015, was set for The David Yilmaz Living Trust to submit fully acceptable corrective documentation;

WHEREAS, The David Yilmaz Living Trust submitted only partial corrective action documentation and multiple violations remain unresolved to date;

WHEREAS, an informal conference was held on November 17, 2015, and The David Yilmaz Living Trust failed to appear despite diligent efforts by the Department to ensure attendance;

WHEREAS, the Enforcement Committee voted to recommend an administrative penalty of \$2,000, the maximum potential amount;

WHEREAS, Texas Gov't Code §2306.043 and 10 Tex. Admin. Code §2.302 require the Executive Director to issue a Report to the Board in order to initiate a contested case hearing before the State Office of Administrative Hearings ("SOAH");

WHEREAS, an administrative penalty in the amount of \$2,000 is appropriate under the statutory factors at Texas Gov't Code §2306.042 and the applicable administrative penalty matrix under 10 Tex. Admin. Code §2.302;

WHEREAS, consistent with direction from the Department's Administrative Penalty Committee and the requirements of Tex. Gov't. Code §2306.043, the Executive Director presents this Report to the Board; and

WHEREAS, Department staff will issue a Notice of Report to the Board to The David Yilmaz Living Trust and will do all things necessary to pursue correction of all unresolved violations and the assessment of an administrative penalty in the recommended amount of \$2,000, including, if necessary, the contested case hearing currently scheduled with SOAH;

NOW, therefore, it is hereby

RESOLVED, that the Board accepts and approves the issuance by the Executive Director of a Report to the Board relating to The David Yilmaz Living Trust and proposing an Agreed Final Order assessing an administrative penalty of \$2,000, substantially in the form presented at this meeting in the attachment to the Notice of Violation, and authorizing any non-substantive technical

corrections, which order is hereby adopted as the order of this Board in the event that Owner chooses to settle the matter and avoid a contested case hearing.

BACKGROUND

The David Yilmaz Living Trust ("Owner") is the owner of Oak Park Apartments ("Property"), a low income apartment complex comprised of 104 units, located in Dallas. The Property is subject to a Land Use Restriction Agreement ("LURA") signed by a prior owner in 1991 in consideration for an annual housing tax credit allocation in the amount of \$711,850 for rehabilitation.

An onsite file monitoring review was conducted in February 2015 and partial corrective documentation was submitted late, after reminders by Compliance staff. The following compliance violations were referred for an administrative penalty and remain unresolved:

1. Household income violation for unit 211;
2. Notice of amenities and services violation for unit 211; and
3. 2014 Annual Owner's Compliance Report violation.

The property has been consistently noncompliant since it was purchased by The David Yilmaz Living Trust during 2005 and, although the Department's Enforcement Committee ("Committee") has been able to bring the property into compliance after past administrative penalty referrals and it is clear that file monitoring requirements at the property have improved under the current manager, the Compliance Division and Enforcement Committee have been unsuccessful in deterring subsequent violations and administrative penalty referrals. The primary obstacle has been Owner's consistent failure to respond to TDHCA correspondence, emails, and phone calls. In fact, David Yilmaz, Trustee for Owner, did not respond to efforts by the Enforcement Committee to contact him to confirm the November 17, 2015, informal conference until 9am on the morning of the meeting, when he sent an email indicating that he would not be attending because of lead abatement being conducted at his investment properties located in his hometown of San Diego.

After reviewing the email, the circumstances of the referral, the Owner's compliance history, and the relevant statutory factors at TEXAS GOV'T CODE §2306.042, the Enforcement Committee voted to consider an administrative penalty during their November 17, 2015 despite the owner's failure to appear. They voted to recommend the maximum potential administrative penalty in the amount of \$2,000 and are prepared to initiate a contested case hearing.

TDHCA statute and rules outline the procedure for initiating a contested case:

1. Executive Director issues Report to the Board: Required by TEXAS GOV'T CODE §2306.043 and 10 TEX. ADMIN. CODE §2.302(f).
2. Notice of Report to the Board, also known as a Notice of Violation, sent to Owner: Required by TEXAS GOV'T CODE §2306.043 and 10 TEX. ADMIN. CODE §2.302(g).
3. Owner has 20 days to accept the determination and recommended penalty or request a hearing.
4. If Owner requests a hearing or does not respond, TDHCA would cause a hearing to be docketed with the State Office of Administrative Hearings ("SOAH") in accordance with 10 TEX. ADMIN. CODE §1.13.

Consistent with direction from the Department's Enforcement Committee, an administrative penalty in the amount of \$2,000 is recommended and the Department will take all necessary steps to initiate a contested case hearing if the administrative penalty is not accepted by Owner.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

To: TDHCA Governing Board
From: Timothy K. Irvine, Executive Director
Date: December 17, 2015
Subject: Report to the Board

The Enforcement Committee has recommended an administrative penalty against The David Yilmaz Living Trust for noncompliance with its Land Use Restriction Agreement and the associated requirements at Oak Park Apartments, and has asked the Executive Director to issue a Report to the Board in order to initiate a contested case hearing before the State Office of Administrative Hearings ("SOAH") in accordance with Tex. Gov't. Code §2306.043 and 10 Tex. Admin. Code §2.302(f). I have, in my capacity as Executive Director of the Department, made the following **PRELIMINARY DETERMINATIONS**:

I. JURISDICTION:

1. During 1991, Dominion Equity Corporation ("Prior Owner") was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of \$711,850 to rehabilitate and operate Oak Park Apartments ("Property") (HTC file No. 91056 / CMTS No. 965 / LDLD No. 139).
2. Prior Owner signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective November 7, 1991, and filed of record at Volume 91227, Page 5621 of the Official Public Records of Real Property of Dallas County, Texas ("Records"). In accordance with Section 2 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.
3. Respondent took ownership of the Property on December 30, 2005 and, although an Agreement to Comply was not signed, Respondent is bound to the terms of the LURA in accordance with Section 2 thereof.
4. Respondent is a trust that is qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.



II. COMPLIANCE VIOLATIONS:

1. An on-site monitoring review was conducted during February of 2015 to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a May 21, 2015, corrective action deadline was set, however, the following violations were not corrected before the corrective action deadline and no corrective documentation was submitted in response to Enforcement Committee intervention:
 - a. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for unit 211, a violation of 10 Tex. Admin. Code §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program;
 - b. Respondent failed to provide a Notice of Amenities and Services to unit 211, a violation of 10 Tex. Admin. Code §10.613 (Lease Requirements), which required owners to provide to each household, at the time of execution of an initial lease and whenever there was a subsequent change in amenities and services, a notice describing those amenities and services. This form has since been combined with the Fair Housing Disclosure Notice into a replacement document called a "Tenant Rights and Resources Guide."
2. On May 11, 2015, TDHCA sent notice that Respondent had failed to timely submit their 2014 Annual Owner's Compliance Report that came due on April 30, 2015, a violation of 10 Tex. Admin. Code §10.607 (Reporting Requirements), which requires each development to submit an Annual Owner's Compliance Report. On August 12, 2015, TDHCA sent notice that the report had been received on May 6, 2015, but that there were noncompliant answers in Part A of the report indicating that the property was not in compliance with all LURA requirements. Clarification was required and a corrective action deadline of September 12, 2015 was set. No clarification was submitted in response to the Compliance Division's correspondence or in response to Enforcement Committee intervention.
3. The following violations remain unresolved:
 - a. Household income violation described in FOF #5a;
 - b. Notice of Amenities and Services violation described in FOF #5b;
 - c. 2014 Annual Owner's Compliance Report violation described in FOF #6;

III. LAW/RULE VIOLATIONS:

1. Pursuant to Tex Gov't Code §2306, Subchapter DD and Tex Gov't Code §2306.185, TDHCA is authorized to make Housing Tax Credit Allocations for the State of Texas and is required to monitor to ensure compliance;
2. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance;
3. Respondent violated 10 Tex. Admin. Code §10.611 and Section 4 of the LURA in 2015, by failing to provide documentation that household incomes were within prescribed limits upon initial occupancy for the unit 211;

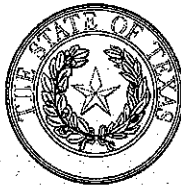
4. Respondent violated 10 Tex. Admin. Code §10.613 in 2015, by failing to execute the Notice of Amenities and Services for unit 211;
5. Respondent violated 10 Tex. Admin. Code §10.607 in 2015 by failing to submit the Annual Owner's Compliance Report for the year 2014;

IV. RECOMMENDED PENALTY:

The penalty amount of \$2,000 is appropriate under the penalty matrix at 10 Tex. Admin. Code §2.302(j) and the statutory factors identified in Tex. Gov't. Code §2306.042.

Accordingly, after consideration of the factors set out in Tex. Gov't Code 2306.042 and 10 Tex. Admin. Code §2, I recommend that Respondent correct the outstanding violations outlined above and pay an administrative penalty in the amount of \$2,000.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

BOARD MEMBERS
J. Paul Oxer, *Chair*
Juan S. Muñoz, PhD, *Vice Chair*
Leslie Bingham-Escareño
Tom H. Gann
J. Mark McWatters
Robert D. Thomas

December 31, 2015

Writer's direct phone # 512.475.3296
Email: tim.irvine@tdhca.state.tx.us

THE DAVID YILMAZ LIVING TRUST CERTIFIED MAIL NO.:
4950 WARING RD, STE 9 RETURN RECEIPT REQUESTED
SAN DIEGO, CA 92120 AND FIRST CLASS MAIL

THE DAVID YILMAZ LIVING TRUST CERTIFIED MAIL NO.:
15544 PASEO AJANTA RETURN RECEIPT REQUESTED
SAN DIEGO, CALIFORNIA 92129 AND FIRST CLASS MAIL

Re: Property File Number: LIHTC 91056
Case Number: CMTS 965
Property Name: Oak Park Apartments

NOTICE OF VIOLATION

This letter and attached documents constitute written notice pursuant to Tex. Gov't Code §2306.043(b) and (c) that, subsequent to an investigation by the Texas Department of Housing and Community Affairs ("TDHCA" or "Department") and after providing a report to the Governing Board for the Department regarding the findings of the investigation and recommended administrative penalty, I have, in my capacity as Executive Director of the Department, made preliminary determinations as indicated in the Notice of Report to Board enclosed at Attachment 1, incorporated herein for all purposes.

PURSUANT TO TEX. GOV'T CODE § 2306.044 AND 10 TEX. ADMIN. CODE § 2.302, YOU HAVE TWENTY (20) DAYS FROM THE DATE YOU RECEIVE THIS NOTICE TO ACCEPT THIS DETERMINATION AND RECOMMENDED PENALTY OF THE EXECUTIVE DIRECTOR OR MAKE A REQUEST FOR A HEARING TO BE CONDUCTED BY THE STATE OFFICE OF ADMINISTRATIVE HEARINGS TO DETERMINE WHETHER A VIOLATION OCCURRED, THE APPROPRIATE PENALTY AMOUNT, OR BOTH. IF YOU FAIL TO RESPOND TO THIS NOTICE IN A TIMELY MANNER, THE EXECUTIVE DIRECTOR SHALL CAUSE A HEARING TO BE SET.



INSTRUCTIONS – PLEASE READ:

HOW TO ACCEPT THIS RECOMMENDED PENALTY THROUGH THE ATTACHED AGREED FINAL ORDER:

TO ACCEPT THIS NOTICE OF VIOLATION, RESPONDENT MUST PERFORM THE FOLLOWING WITHIN TWENTY (20) CALENDAR DAYS OF RECEIPT THEREOF:

1. SIGN AND RETURN THE ATTACHED AGREED FINAL ORDER;
2. PAY THE ADMINISTRATIVE PENALTY IN THE AMOUNT OF \$2,000;
3. SUBMIT DOCUMENTATION PROVING THAT THE OUTSTANDING VIOLATIONS OUTLINED IN THE ATTACHMENTS HAVE BEEN CORRECTED.

RETURN TO:

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
ATTN: LEGAL - YK
P.O. BOX 13941
AUSTIN, TEXAS 78711-3941

HOW TO CONTEST THIS RECOMMENDED PENALTY:

TO CONTEST THIS NOTICE OF VIOLATION, TDHCA STATUTE AND RULES REQUIRE RESPONDENT TO FILE A WRITTEN REQUEST FOR HEARING WITHIN TWENTY (20) CALENDAR DAYS OF THE RECEIPT THEREOF.

RETURN TO:

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
ATTN: LEGAL - YK
P.O. BOX 13941
AUSTIN, TEXAS 78711-3941

IF YOU DO NOT RESPOND:

IF YOU DO NOT RESPOND IN A TIMELY MANNER, TDHCA WILL SET A HEARING WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS.

You may contact Ysella Kaseman at 281.798.2499 or ysella.kaseman@tdhca.state.tx.us with any questions. However, a telephone call does not substitute for the requirement of a written response.

Sincerely,

Timothy K. Irvine
Executive Director

TKI/ytk

Attachments:

- Attachment 1 – Report to the Board
- Attachment 2 – Agreed Final Order

Attachment 1

Report to the Board

(see attached)

Attachment 2

Agreed Final Order

(see attached)

ENFORCEMENT ACTION AGAINST
THE DAVID YILMAZ LIVING TRUST
WITH RESPECT TO OAK PARK
APARTMENTS (LIHTC FILE # 91056 /
CMTS # 965)

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§
§
§

BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 17th day of December, 2015, the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA") considered the matter of whether enforcement action should be taken against **THE DAVID YILMAZ LIVING TRUST** ("Respondent").

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act ("APA"), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

WAIVER

Respondent acknowledges the existence of their right to request a hearing as provided by Tex. Gov't Code § 2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov't Code § 2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

FINDINGS OF FACT

Jurisdiction:

1. During 1991, Dominion Equity Corporation ("Prior Owner") was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of \$711,850 to rehabilitate and operate Oak Park Apartments ("Property") (HTC file No. 91056 / CMTS No. 965 / LDLD No. 139).
2. Prior Owner signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective November 7, 1991, and filed of record at Volume 91227, Page

5621 of the Official Public Records of Real Property of Dallas County, Texas ("Records"). In accordance with Section 2 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.

3. Respondent took ownership of the Property on December 30, 2005 and, although an Agreement to Comply was not signed, Respondent is bound to the terms of the LURA in accordance with Section 2 thereof.
4. Respondent is a trust that is qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.

Compliance Violations¹:

5. An on-site monitoring review was conducted during February of 2015 to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a May 21, 2015, corrective action deadline was set, however, the following violations were not corrected before the corrective action deadline and no corrective documentation was submitted in response to Enforcement Committee intervention:
 - a. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for unit 211, a violation of 10 TEX. ADMIN. CODE §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program;
 - b. Respondent failed to provide a Notice of Amenities and Services to unit 211, a violation of 10 TEX. ADMIN. CODE §10.613 (Lease Requirements), which required owners to provide to each household, at the time of execution of an initial lease and whenever there was a subsequent change in amenities and services, a notice describing those amenities and services. This form has since been combined with the Fair Housing Disclosure Notice into a replacement document called a "Tenant Rights and Resources Guide."
6. On May 11, 2015, TDHCA sent notice that Respondent had failed to timely submit their 2014 Annual Owner's Compliance Report that came due on April 30, 2015, a violation of 10 TEX. ADMIN. CODE §10.607 (Reporting Requirements), which requires each development to submit an Annual Owner's Compliance Report. On August 12, 2015, TDHCA sent notice that the report had been received on May 6, 2015, but that there were noncompliant answers in Part A of the report indicating that the property was not in compliance with all LURA requirements. Clarification was required and a corrective

¹ Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TEX. ADMIN. CODE, CHAPTERS 10 AND 60 refer to the versions of the code in effect at the time of the compliance monitoring reviews and/or inspections that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

action deadline of September 12, 2015 was set. No clarification was submitted in response to the Compliance Division's correspondence or in response to Enforcement Committee intervention.

7. The following violations remain outstanding at the time of this order:
 - a. Household income violation described in FOF #5a;
 - b. Notice of Amenities and Services violation described in FOF #5b;
 - c. 2014 Annual Owner's Compliance Report violation described in FOF #6;

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.
2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).
3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.
4. Respondent violated 10 TEX. ADMIN. CODE §10.611 and Section 4 of the LURA in 2015, by failing to provide documentation that household incomes were within prescribed limits upon initial occupancy for the unit 211;
5. Respondent violated 10 TEX. ADMIN. CODE §10.613 in 2015, by failing to execute the Notice of Amenities and Services for unit 211;
6. Respondent violated 10 TEX. ADMIN. CODE §10.607 in 2015 by failing to submit the Annual Owner's Compliance Report for the year 2014;
7. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules and agreements, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
8. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
9. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code Chapter 2306 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to TEX. GOV'T CODE §2306.041.
10. An administrative penalty of \$2,000 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §2.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Board of the Texas Department of Housing and Community Affairs orders the following:

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of \$2,000.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay the full \$2,000 administrative penalty by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) January 18, 2016, or (2) the closing date if the property is sold before the terms and conditions of this Agreed Final Order have been fully satisfied.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the attachments and submit full documentation of the corrections to TDHCA on or before January 18, 2016.

IT IS FURTHER ORDERED that corrective documentation must be uploaded to the Compliance Monitoring and Tracking System ("CMTS") by following the instructions at this link: <http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf>. After the upload is complete, an email must be sent to Ysella Kaseman at ysella.kaseman@tdhca.state.tx.us to inform her that the documentation is ready for review. The penalty payment must be submitted to the following address:

If via overnight mail (FedEx, UPS):	If via USPS:
TDHCA Attn: Ysella Kaseman 221 E 11 th St Austin, Texas 78701	TDHCA Attn: Ysella Kaseman P.O. Box 13941 Austin, Texas 78711

IT IS FURTHER ORDERED that the terms of this Agreed Final Order shall be published on the TDHCA website.

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on _____, 2015.

By: _____
Name: J. Paul Oxe
Title: Chair of the Board of TDHCA

By: _____
Name: James "Beau" Eccles
Title: Secretary of the Board of TDHCA

THE STATE OF TEXAS §
§
COUNTY OF _____ §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared J. Paul Oxe, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, _____, a notary public in and for the State of _____, on this day personally appeared _____, known to me or proven to me through _____ to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he/she) executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is _____, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of _____ for Respondent. I am the authorized representative of Respondent, owner of Oak Park Apartments, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Board of the Texas Department of Housing and Community Affairs."

RESPONDENT:

THE DAVID YILMAZ LIVING TRUST,

By: _____

Name: David Yilmaz

Title: Trustee

Given under my hand and seal of office this _____ day of _____, 2015.

Signature of Notary Public

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____

My Commission Expires: _____

Attachment 1

File Monitoring Violation Resources and Instructions

1. Refer to the following link for all references to the rules at 10 TEX. ADMIN. CODE §10 that are referenced below:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y)

2. Refer to the following link for copies of forms that are referenced below:

<http://www.tdhca.state.tx.us/pmcomp/forms.htm>

3. Technical support and training presentations are available at the following links:

Video/Audio Training: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>

Income and Rent Limits: <http://www.tdhca.state.tx.us/pmcomp/irl/index.htm>

Online Reporting: <http://www.tdhca.state.tx.us/pmcomp/reports.htm>

FAQ's: <http://www.tdhca.state.tx.us/pmcomp/compFags.htm>

4. **Household income violation for unit 211:** The household that moved in on 2/9/2014 has vacated the unit and a new household moved in on 10/12/2014. TDHCA has not seen evidence that either household qualified for occupancy. Follow instructions in the chart below, depending on the current circumstances applicable to the unit:

Circumstance with respect to Unit 211	Required Action
If household that occupied unit on 10/12/2014 still occupies the unit and qualifies for occupancy	Submit the full tenant file.
If unit is occupied by a new qualified household	Submit the full tenant file.
If unit is occupied by a nonqualified household on a month-to-month lease	<ol style="list-style-type: none"> 1. Follow your normal procedures for terminating residency and provide a copy of documentation to TDHCA. 2. As soon as the unit is occupied by a qualified household, submit the full tenant file. Receipt after January 18, 2016 is acceptable for this circumstance provided that Requirement 1 above is fulfilled.
If unit is occupied by a nonqualified household with a non-expired lease	<ol style="list-style-type: none"> 1. Issue a nonrenewal notice to tenant and provide a copy to TDHCA. 2. As soon as the unit is occupied by a qualified household, submit the full tenant file. Receipt after January 18, 2016 is acceptable for this circumstance provided that Requirement 1 above is fulfilled.
If unit is vacant	<ol style="list-style-type: none"> 1. Unit must be made ready for occupancy and a letter certifying to that effect must be submitted to TDHCA. 2. As soon as the unit is occupied by a qualified household, submit the full tenant file. Receipt after January 18, 2016 is acceptable for this circumstance provided that Requirement 1 above is fulfilled.

A full tenant file must include the following:

- i. Application;
- ii. Tenant release and consent form;
- iii. Verifications of all sources of income and assets;
- iv. Tenant Income Certification;
- v. Lease and lease addendum; and
- vi. Either a timely signed Fair Housing Disclosure Notice and Notice of Amenities and Services – *OR* – a signed Tenant Rights and Resources Guide Acknowledgment, depending on the move-in date of the household. See below for clarification.

The Fair Housing Disclosure Notice and Notice of Amenities and Services were required forms at the time of move-in for the tenant that occupied unit 211 on 10/12/2014. If you are submitting a full tenant file for the household that moved in on 10/12/2014 and both of these forms were completed, you may submit the forms via CMTS if the following are met:

- a. Notice of Amenities and Services signed before 1/9/2015.
- b. Fair Housing Disclosure Notice signed no more than 120 days and no less than 30 days prior to the date that the household was legally obligated to provide written notice of their intention to terminate or renew their lease.

If the Fair Housing Disclosure Notice and Notice of Amenities and Services were not signed during the appropriate time periods as indicated above or you are submitting a full tenant file for another new household, please follow the requirements from the new rule at 10 Texas. Admin. Code §10.613, and submit the Tenant Rights and Resources Guide Acknowledgment instead.

5. **Notice of Amenities and Services** – The household that triggered the finding for unit 211 vacated the unit without completing the required form. Therefore, there is no corrective action available and the finding will remain outstanding.
6. **2014 Annual Owner's Compliance Report** – All parts have now been submitted, but you must submit clarification regarding one of your report answers indicating that the property did not comply with the requirements of the property's program during the 2014 calendar year. Submit clarification, explanation, or evidence of corrective action to the Department regarding the following answer:

Question: Has the development met the minimum set-aside requirement of the 20/50 or 40/60 test under section 42(g)(1) (Treasury Regulation 1.42-5(c)(1)(i))?

You answered: No.

Attachment 2

Tenant File Guidelines

The following technical support does not represent a complete list of all file requirements and is intended only as a guide. TDHCA staff recommends that all onsite staff responsible for accepting and processing applications sign up for First Thursday Training in order to get a full overview of the process. Sign up at <http://www.tdhca.state.tx.us/pmcomp/COMPtrain.html>. Forms discussed below are available at: <http://www.tdhca.state.tx.us/pmcomp/forms.htm>.

1. **Intake Application:** The Department does not have a required form to screen households, but we make this form available for that purpose. It is required that households be screened for household composition, income and assets. Applicants must complete all blanks on the application and answer all questions. Any lines left intentionally blank should be marked with "none" or "n/a." The application must be signed and dated by all adult household members, using the date that the form is actually completed.
2. **Verify Income:** Each source of income and asset must be documented for every adult household member based upon the information disclosed on the application. There are multiple methods:
 - a. **First hand verifications:** Paystubs or payroll print-outs that show gross income. If you choose this method, ensure that you consistently collect a specified number of consecutive check stubs as defined in your management plan;
 - b. **Employment Verification Form:** Part 1 must be completed by you and signed by the tenant. Part 2 must be completed by the employer. To prevent fraud, you must submit the form directly to the employer and must not allow the tenant to handle it. You should ensure that the person completing the employer portion has authority to do so and has access to all applicable information in order to verify the employment income. If you receive the verification via mail, retain the envelope. If you receive it via fax, ensure that the fax stamp is on it;
 - c. **Verification of non-employment income:** You must obtain verifications for all other income sources, such as child support, social security, and/or unemployment benefits;
 - d. **Telephone Verifications:** these are acceptable *only* for clarifying discrepancies and cannot be used as primary form of verification. Include your name, the date, the name of the person with whom you spoke, and your signature;
 - e. **Certification of Zero Income:** If an adult household member does not report any sources of income on the application, this form can be used to document thorough screening and to document the source of funds used to pay for rent, utilities, and/or other necessities.

3. **Verify Assets:** Regardless of their balances, applicants must report all assets owned, including assets such as checking or savings accounts. The accounts are typically disclosed on the application form, but you must review all documentation from the tenant to ensure proper documentation of the household's income and assets. For instance, review the credit report (if you pull one), application, pay stubs, and other documents to ensure that all information is consistent. Examples of ways to find assets that are frequently overlooked: Review pay stubs for assets such as checking and retirement accounts that the household may have forgotten to include in the application. These accounts must also be verified. Format of verifications:
 - a. **Under \$5000 Asset Certification Form:** If the total cash value of the assets owned by members of the household is less than \$5,000, as reported on the Intake Application, the TDHCA Under \$5,000 Asset Certification form may be used to verify assets. If applicable, follow the instructions to complete one form per household that includes everyone's assets, even minors, and have all adults sign and date using the date that the form is actually completed.
 - b. **First hand verifications** such as bank statements to verify a checking account. Ensure that you use a consistent number of consecutive statements, as identified in your management plan.
 - c. **3rd party verifications** using the TDHCA Asset Verification form. As with the "Employment Verification Form" discussed above, Part 1 must be completed by you and signed by the tenant. Part 2 must be completed by the employer. To prevent fraud, you must submit the form directly to the employer and must not allow the tenant to handle it. You should ensure that the person completing the employer portion has authority to do so and has access to all applicable information in order to verify the employment income. If you receive the verification via mail, retain the envelope. If you receive it via fax, ensure that the fax stamp is on it.
4. **Tenant Income Certification Form:** Upon verification of all income and asset sources disclosed on the application and any additional information found in the documentation submitted by the tenant, the next step is to annualize the sources on the Income Certification Form, add them together, and compare to the applicable income limit for household size which can be found at <http://www.tdhca.state.tx.us/pmcomp/irl/index.htm>. Be sure to include any income derived from assets. The form must include (and be signed by) each adult household member.
5. **Lease:** Must conform with your LURA and TDHCA requirements and indicate a rent below the maximum rent limits, which can be found at <http://www.tdhca.state.tx.us/pmcomp/irl/index.htm>. When determining the rent, ensure that the tenant's rent, plus the utility allowance, plus any housing subsidies, plus any mandatory fees, are below the maximum limits set by TDHCA. 10 Tex. Admin. Code §10.613(a) prohibits the eviction or termination of tenancy of low income households for reasons other than good cause throughout the affordability period in accordance with Revenue Ruling 2004-82. In addition, 10 Tex. Admin. Code §10.613(e) prohibits HTC developments from locking out or threatening to lock out any development resident, or seizing or threatening to seize personal property of a resident, except by judicial process, for purposes of performing necessary repairs or construction work, or in case of emergency. The prohibitions must be included in the lease or lease addendum. The Texas Apartment Association has an affordable lease addendum that has incorporated this required language. If you are not a TAA member, you can draft a lease addendum using the requirements outlined above.

6. **Tenant Rights and Resources Guide:** As of 1/8/2015, the Fair Housing Disclosure Notice and Tenant Amenities and Services Notice have been replaced by the Tenant Rights and Resources Guide, a copy of which is available online at: <http://www.tdhca.state.tx.us/pmcdocs/FairHousingDisclosureBooklet.doc>.

In accordance with 10 TAC §10.613(k), a laminated copy of this guide must be posted in a common area of the leasing office. Development must also provide a copy of the guide to each household during the application process and upon any subsequent changes to the items described at paragraph b) below. The Tenant Rights and Resources Guide includes:

- a) Information about Fair Housing and tenant choice; and
- b) Information regarding common amenities, unit amenities, and services.

A representative of the household must receive a copy of the Tenant Rights and Resources Guide and sign an acknowledgment of receipt of the brochure prior to, but no more than 120 days prior to, the initial lease execution date.

In the event that there is a prior finding for a Fair Housing Disclosure Notice, Tenant Amenities and Services Notice, the Tenant Rights and Resources Guide was not provided timely, or the household does not certify to receipt of the Tenant Rights and Resources Guide, correction will be achieved by providing the affected household with the Tenant Rights and Resources Guide and receiving a signed acknowledgment. A copy of the acknowledgment form is available at: <http://www.tdhca.state.tx.us/pmcdocs/FairHousingDisclosureSignaturePage.pdf>.

Attachment 3:

Texas Administrative Code

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 10</u>	UNIFORM MULTIFAMILY RULES
<u>SUBCHAPTER E</u>	POST AWARD AND ASSET MANAGEMENT REQUIREMENTS
RULE §10.406	Ownership Transfers (§2306.6713)

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice to the Department at least thirty (30) calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Transfers that are the result of an involuntary removal of the general partner by the investment limited partner must be reported to the Department, as soon as possible due to the sensitive timing and nature of this decision. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure, staff may make a recommendation to the Board for the debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with §1.5 of this title (relating to Previous Participation Reviews), prior to recommending any new financing or allocation of credits.

(b) Requirement. Department approval must be requested for any new member to join in the ownership of a Development. Exceptions include changes to the investment limited partner, non-controlling limited partner, or other partners affiliated with the investment limited partner, or changes resulting from foreclosure wherein the lender or financial institution involved in the transaction is the resulting owner. Any subsequent transfer of the Development will be required to adhere to the process in this section. Furthermore, a Development Owner may not transfer an allocation of tax credits or ownership of a Development supported with an allocation of tax credits to any Person or entity unless the Development Owner obtains the Executive Director's prior, written approval of the transfer. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section. Notwithstanding the foregoing, a Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new members or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(c) Transfers Prior to 8609 Issuance or Construction Completion. Transfers (other than those that do not require Executive Director approval, as set forth in subsection (b) of this section) will not be approved prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) unless the Development Owner can provide evidence that the need for the transfer is due to a hardship (ex. potential bankruptcy, removal by a partner, etc.). The Development Owner must provide the Department with a written explanation describing the hardship and a copy of any applicable agreement between the parties to the transfer, including any Third-Party agreement.

(d) Non-Profit Organizations. If the ownership transfer request is to replace a non-profit organization within the Development ownership entity, the replacement non-profit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Non-Profit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Non-Profit Organization that meets the requirements of §42(h)(5) of the Code and Texas Government Code §2306.6706.

(2) If the LURA requires ownership or material participation in ownership by a qualified non-profit organization, but the Development did not receive Tax Credits pursuant to §42(h)(5) of the Code, the Development Owner must show that the transferee is a non-profit organization that complies with the LURA.

(e) Historically Underutilized Business ("HUB") Organizations. If a HUB is the general partner of a Development Owner and it (i) is being removed as the result of a default under the organizational documents of the Development Owner or (ii) determines to sell its ownership interest, in either case, after the issuance of 8609s, the purchaser of that general partnership interest is not required to be a HUB as long as the LURA does not require such continual ownership or a material LURA amendment is approved. Such approval can be obtained concurrent with Board approval described herein. All such transfers must be approved by the Board and require that the Board find that:

(1) the selling HUB is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(2) the participation by the HUB has been substantive and meaningful, or would have been substantial and meaningful had the HUB not defaulted under the organizational documents of the Development Owner, enabling it to realize not only financial benefit but to acquire skills relating to the ownership and operation of affordable housing; and

(3) the proposed purchaser meets the Department's standards for ownership transfers

(f) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances that gave rise to the need for the transfer and the effects of approval or denial. Documentation includes but is not limited to:

(1) a written explanation outlining the reason for the request;

(2) a list of the names of transferees and Related Parties;

(3) detailed information describing the experience and financial capacity of transferees and related parties holding an ownership interest of 10 percent or greater in any Principal or Controlling entity;

(4) evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least thirty (30) calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired.

(g) Within five (5) business days after the date the Department receives all necessary information under this section, staff shall initiate a qualifications review of a transferee, in accordance with §1.5 of this title, to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter.

(h) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) in cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) in cases where the general partner is being replaced if the award of credits was made at least five (5) years prior to the transfer request date.

(i) Penalties. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department.

(j) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by corresponding ownership transfer fee as outlined in §10.901 of this chapter (relating to Fee Schedule).

Source Note: The provisions of this §10.406 adopted to be effective December 9, 2014, 39 TexReg 9518

1d

BOARD ACTION REQUEST

LEGAL DIVISION

DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Report to Board regarding the initiation of an administrative penalty contested case hearing concerning Southmore Park Apartments (HTC 94004/ CMTS 1204) and adoption of an Agreed Final Order

RECOMMENDED ACTION

WHEREAS, Southmore Park Apartments in Pasadena, Harris County, owned by Southmore Park Apartments, Ltd, has a history of uncorrected violations of the applicable land use restriction agreement ("LURA") and associated statutory and rule requirements;

WHEREAS, the Executive Director issued a Report to the Board on May 5, 2011, regarding a recommended administrative penalty and TDHCA's intention to initiate a contested case hearing with respect to uncorrected compliance violations;

WHEREAS, additional uncorrected violations accrued and the Executive Director issued an Amended Report to the Board on June 26, 2014, to meet statutory requirements at TEX. GOV'T. CODE §2306.043 so that the Department could include those additional violations as part of the scheduled contested case hearing, thus avoiding the time and expense of conducting two separate hearings;

WHEREAS, Southmore Park Apartments, Ltd. was set for a contested case hearing before the State Office of Administrative Hearings ("SOAH"), which was reset multiple times during 2014 and ultimately scheduled for March 27, 2015;

WHEREAS, Southmore Park Apartments, Ltd. agreed to withdraw its request for a contested case hearing and entered into an Agreed Final Order that was approved by the TDHCA Board on February 19, 2015;

WHEREAS, the Agreed Final Order assessed an administrative penalty of \$5,000.00 to be paid on or before March 20, 2015, and required full corrective documentation to be submitted to TDHCA according to a series of deadlines;

WHEREAS, the administrative penalty was paid, but Southmore Park Apartments, Ltd. violated the Agreed Final Order by failing to submit corrective documentation as required with respect to the following violations: Household income above income limit upon initial occupancy for 14 units; failure to provide an affirmative marketing plan; failure to submit pre-onsite documentation; failure to correct Uniform Physical Condition Standards ("UPCS") violations, and failure to pay 2006 through 2013 compliance fees;

WHEREAS, new uncorrected violations were identified during a regularly scheduled UPCS inspection conducted on March 26, 2015, and a deadline of July 2, 2015 was set for Southmore Park Apartments, Ltd. to submit fully acceptable corrective documentation;

WHEREAS, Southmore Park Apartments, Ltd. only submitted partial corrective action documentation for the 2015 UPCS inspection and multiple violations remain unresolved to date;

WHEREAS, an informal conference was held on October 9, 2015, and the Enforcement Committee voted to recommend an administrative penalty of \$13,250, the maximum potential amount;

WHEREAS, Texas Gov't Code §2306.043 and 10 Tex. Admin. Code §2.302 require the Executive Director to issue a Report to the Board in order to initiate a contested case hearing before the State Office of Administrative Hearings ("SOAH");

WHEREAS, an administrative penalty in the amount of \$13,250 is appropriate under the statutory factors at Texas Gov't Code §2306.042 and the applicable penalty matrix under 10 Tex. Admin. Code §2.302;

WHEREAS, consistent with direction from the Department's Administrative Penalty Committee and the requirements of Tex. Gov't. Code §2306.043, the Executive Director presents this Report to the Board; and

WHEREAS, Department staff will issue a Notice of Report to the Board to Southmore Park Apartments, Ltd and will do all things necessary to pursue correction of all unresolved violations and the assessment of an administrative penalty in the recommended amount of \$13,250, including, if necessary, the contested case hearing currently scheduled with SOAH.

NOW, therefore, it is hereby

RESOLVED, that the Board accepts and approves the issuance by the Executive Director of a Report to the Board relating to Southmore Park Apartments, Ltd. and a proposed Agreed Final Order assessing an administrative penalty of \$13,250, substantially in the form presented at this meeting in the attachment to the Notice of Violation, and authorizing any non-substantive technical corrections, which order is hereby adopted as the order of this Board in the event that Owner chooses to settle the matter and avoid a contested case hearing.

BACKGROUND

Southmore Park Apartments, Ltd. received an allocation totaling \$2,375,230 in low income housing tax credits in 1994 for the rehabilitation of a 93-unit apartment complex in Pasadena, Harris County. Southmore Park Apartments are in material noncompliance with the applicable Land Use Restriction Agreement ("LURA") and the associated statute and rules. The property has been consistently noncompliant for over ten years and neither the Compliance Division nor the Department's Enforcement Committee ("Committee") has been able to bring the property into full compliance.

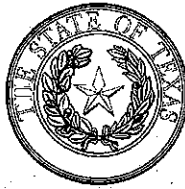
TDHCA and Southmore Park Apartments, Ltd. settled a previous administrative penalty contested case hearing scheduled with SOAH via an Agreed Final order that was approved by the Board on February 19, 2015. The administrative penalty was paid under that Agreed Final Order and monthly payments are being received for compliance fees, but no corrective documentation has been submitted, constituting a violation of the Agreed Final Order.

A subsequent administrative penalty referral was submitted to the Enforcement Committee after Southmore Park Apartments, Ltd. failed to fully correct violations identified during a subsequent physical inspection conducted on March 26, 2015. The Enforcement Committee held an informal conference on October 9, 2015, and voted to recommend the maximum potential administrative penalty for these new violations, totaling \$13,250.

TDHCA statute and rules outline the procedure for initiating a contested case:

1. Executive Director issues Report to the Board: Required by Texas Gov't Code §2306.043 and 10 Tex. Admin. Code §2.302(f).
2. Notice of Report to the Board, also known as a Notice of Violation, sent to Owner: Required by Texas Gov't Code §2306.043 and 10 Tex. Admin. Code §2.302(g).
3. Owner has 20 days to accept the determination and recommended penalty or request a hearing.
4. If Owner requests a hearing or does not respond, TDHCA would cause a hearing to be docketed with the State Office of Administrative Hearings ("SOAH") in accordance with 10 Tex. Admin. Code §1.13.

Consistent with direction from the Department's Enforcement Committee, an administrative penalty in the amount of \$13,250 is recommended and the Department will take all necessary steps to initiate a contested case hearing if the administrative penalty is not accepted by Owner.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

To: TDHCA Governing Board
From: Timothy K. Irvine, Executive Director
Date: December 17, 2015
Subject: Report to the Board

The Enforcement Committee has recommended an administrative penalty against Southmore Park Apartments, Ltd. for noncompliance with its Land Use Restriction Agreement and the associated requirements, and has asked the Executive Director to issue a Report to the Board in order to initiate a contested case hearing before the State Office of Administrative Hearings ("SOAH") in accordance with TEX. GOV'T. CODE §2306.043 and 10 Tex. Admin. Code §2.302(f). I have, in my capacity as Executive Director of the Department, made the following **PRELIMINARY DETERMINATIONS**:

I. JURISDICTION:

1. On November 20, 1996, Respondent was awarded an allocation of Low Income Housing Tax Credits by the Board, in the amount of \$237,523.00 to build and operate Southmore Park Apartments ("Property") (HTC File No. 94004 / CMTS No. 1204 / LDLD No. 141).
2. Respondent signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective November 20, 1996, and filed of record at Document Number S250798 of the Official Public Records of Real Property of Harris County, Texas ("Records"), as amended by a First Amendment executed on April 5, 2004.
3. Respondent is a Texas limited partnership that is qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.

II. COMPLIANCE VIOLATIONS:

1. Property has a history of violations and previously signed an Agreed Final Order on February 2, 2015 that was violated.
2. A subsequent regularly scheduled Uniform Physical Condition Standards ("UPCS") inspection was conducted on March 26, 2015. Inspection reports showed numerous serious property condition violations, a violation of 10 TEX. ADMIN. CODE § 10.621 (Property Condition Standards). Notifications of noncompliance were sent and a July 2, 2015, corrective action deadline was set. Partial corrective action was timely received but the violations at Attachment 1 were not corrected before the deadline and remain unresolved.



III. LAW/RULE VIOLATIONS:

1. Pursuant to TEX GOV'T CODE §2306, Subchapter DD and TEX GOV'T CODE §2306.185, TDHCA is authorized to make Housing Tax Credit Allocations for the State of Texas and is required to monitor to ensure compliance;
2. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance;
3. Respondent violated 10 TEX. ADMIN. CODE §10.621 in 2015, by failing to comply with HUD's Uniform Physical Condition Standards when major violations were discovered and not timely corrected.¹

IV. RECOMMENDED PENALTY:

The penalty amount of \$13,250 is appropriate under the penalty matrix at 10 TEX. ADMIN. CODE §2.302(j) and the statutory factors identified in TEX. GOV'T. CODE §2306.042.

Accordingly, after consideration of the factors set out in TEX. GOV'T CODE 2306.042 and 10 TEX. ADMIN. CODE § 2, I recommend that Respondent correct the outstanding violations outlined above and pay an administrative penalty in the amount of \$13,250.

[remainder of page intentionally blank]

¹ HUD's Uniform Physical Condition Standards are the standards adopted by TDHCA pursuant to 10 TEX. ADMIN. CODE 10.621(a)

Attachment 1

2015 UPCS violation list

(see attached)

Report 2 : Observed Deficiencies Report

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1 of 1

List of Deficiencies Found at Property:

Completion Date: 3/26/2015

Inspector

Inspector: Pete Martins

Status	Count
Occupied	9
Offline	1

Defects Found

Deficiency	Defects Found			Deficiency Title	Deficiency Notes	
	L1	L2	L3			
						corrected
Site:						
Fencing and Gates			x	Holes/Missing Sections/Damaged/Falling/Leaning	missing sections	5/8/2015
Health & Safety			x	Hazards—Tripping	sidewalk uneven; near pool	not addressed
Bldg 8: TX-94-01238						
802						
Electrical System			x	Missing Covers	cover loose gap around breakers	5/8/2015
Kitchen		x		Dishwasher/Garbage Disposal—Inoperable	dishwasher not functioning;	5/8/2015
817						
Health & Safety			x	Emergency Fire Exits—Emergency Fire Exits	Bedroom 2; headboard blocking egress	5/8/2015
Smoke Detector			x	Missing/Inoperable	Smoke detector is missing; Bedroom 2;	5/8/2015
Building Exterior						
Roofs			x	Missing/Damaged Components from Downspout/Gutter	Gutter full of debris and/or vegetation;	5/8/2015
Bldg 4: TX-94-01234- CORRECTED 5/8/2015						
410						

Report 2 : Observed Deficiencies Report

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1 of 1

List of Deficiencies Found at Property:

Health & Safety			x	Emergency Fire Exits—Emergency Fire Exits Blocked/Unusable	Bedroom 1; window boarded up . repaired during inspection; Bedroom 2; dresser blocking egress repaired during inspection; Bedroom 2; window inoperable blocking egress	5/8/2015
Kitchen			x	Dishwasher/Garbage Disposal—Inoperable	garbage disposal not functioning; dishwasher not functioning;	5/8/2015
Kitchen		x		Refrigerator—Missing/Damaged/Inoperable	Fresh food seal needs replaced;	5/8/2015
Smoke Detector			x	Missing/Inoperable	Smoke detector is missing; Hallway/Hall;	5/8/2015
Common Areas: Laundry						
Dryer Vent			x	Dryer Vent—Missing/Damaged/Inoperable	vent disconnected;	5/8/2015
Lighting			x	Missing/Damaged/Inoperable Fixture	lights inoperable	5/8/2015
Bldg 2: TX-94-01232- CORRECTED 5/8/2015						
204						
Health & Safety			x	Flammable/Combustible Materials—Improperly Stored	flammable stored in oven	5/8/2015
Common Areas: Halls/Corridors/Stairs						
Mailboxes			x	Mailbox—Missing/Damaged	missing doors on 6 boxes	5/8/2015
Bldg 1: TX-94-01231						
108 for 110						
Health & Safety			x	Emergency Fire Exits—Missing Exit Signs	Bedroom 2; headboard blocking egress	work order unclear re: unit #?
Health & Safety			x	Other	on key to 110 management states belongs to employee not at property	3/26/2015
Kitchen			x	Dishwasher/Garbage Disposal—Inoperable	dishwasher not functioning;	work order unclear re: unit #?
Common Areas: Other Community Spaces						
Lighting			x	Missing/Damaged/Inoperable Fixture	light inoperable	
Outlets/Switches/Cover Plates			x	Outlets/Switches/Cover Plates—Missing/Broken	missing covers x3	
Bldg 6: TX-94-01236- CORRECTED 5/8/2015						
603						
Electrical System			x	GFI—Inoperable	Kitchen;	5/8/2015

Report 2 : Observed Deficiencies Report

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1 of 1

List of Deficiencies Found at Property:

Health & Safety			x	Emergency Fire Exits—Emergency/Fire Exits Blocked/Unusable	Bedroom 1; furniture blocking egress repaired during inspection;	5/8/2015
Smoke Detector			x	Missing/Inoperable	smoke detector is not functioning;battery needs replaced;Bedroom 3; Smoke detector is missing;Bedroom 2;Bedroom 1;	5/8/2015
Bldg 3: TX-94-01233						
301						
Bathroom	x			Bathroom Cabinets—Damaged/Missing	damaged	not addressed
Bathroom			x	Shower/Tub—Damaged/Missing	missing hardware	not addressed
Bathroom			x	Water Closet/Toilet—Damaged/Clogged/Missing	toilet not functioning ;	not addressed
Doors			x	Damaged Hardware/Locks	entry missing	not addressed
Doors			x	Missing Door	missing throughout	not addressed
Electrical System			x	GFI—Inoperable	missing throughout	not addressed
Electrical System			x	Missing Breakers/Fuses	inoperable	5/8/2015
Floors			x	Soft Floor Covering Missing/Damaged	missing throughout	not addressed
HVAC System			x	Inoperable	missing	not addressed
Kitchen		x		Dishwasher/Garbage Disposal—Inoperable	dishwasher not functioning;	not addressed
Kitchen			x	Range/Stove—Missing/Damaged/Inoperable	2 or more burners do not function;	not addressed
Lighting			x	Missing/Inoperable Fixture	missing fixtures	not addressed
Outlets/Switches			x	Missing	missing throughout	5/8/2015
Walls			x	Mold/Mildew/Water Stains/Water Damage	mildew in laundry	not addressed
Bldg 7: TX-94-01237- CORRECTED 5/8/2015						
703						
Doors	x			Damaged Hardware/Locks	Hinges loose/damaged ;Kitchen;	5/8/2015
Doors			x	Damaged Surface (Holes/Paint/Rust/Glass)	door edge split;Bathroom 1;	5/8/2015
Bldg 5: TX-94-01235-CORRECTED 5/8/2015						

Report 2 : Observed Deficiencies Report

Printed on : 3/26/2015 4:41:16 PM



1 of 1

List of Deficiencies Found at Property:

511						
Doors		x		Damaged Hardware/Locks	Striker plate misaligned/missing ;Bedroom 1;Bedroom 2;Bedroom 3;	5/8/2015
Doors			x	Damaged Surface (Holes/Paint/Rust/Glass)	peeling paint;Bedroom 3;	5/8/2015
Doors	x			Missing Door	laundry	5/8/2015
Kitchen	x			Refrigerator-Missing/Damaged/Inoperable	Fresh food seal needs replaced;	5/8/2015
514						
Health & Safety			x	Emergency Fire Exits—Emergency Fire Exits	Bedroom 2; headboard blocking egress	5/8/2015



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

BOARD MEMBERS
J. Paul Oxer, *Chair*
Juan S. Muñoz, PhD, *Vice Chair*
Leslie Bingham-Escareño
Tom H. Gann
J. Mark McWatters
Robert D. Thomas

December 31, 2015

Writer's direct phone # 512.475.3296
Email: tim.irvine@tdhca.state.tx.us

SOUTHMORE PARK
APARTMENTS, LTD.
ATTN: CHARLES V MILLER JR
6206 EVERGREEN
HOUSTON, TX 77081

CERTIFIED MAIL NO.:
RETURN RECEIPT REQUESTED
AND FIRST CLASS MAIL

O'CONNOR MASON & BONE, P.C
ROBERT E BONE
1616 SOUTH VOSS
SUITE 200
HOUSTON, TEXAS 77057

CERTIFIED MAIL NO.:
RETURN RECEIPT REQUESTED
AND FIRST CLASS MAIL

Re: Property File Number: LIHTC 94004
Case Number: CMTS 1204
Property Name: Southmore Park Apartments

NOTICE OF VIOLATION

This letter and attached documents constitute written notice pursuant to Tex. Gov't Code §2306.043(b) and (c) that, subsequent to an investigation by the Texas Department of Housing and Community Affairs ("TDHCA" or "Department") and after providing a report to the Governing Board for the Department regarding the findings of the investigation and recommended administrative penalty, I have, in my capacity as Executive Director of the Department, made preliminary determinations as indicated in the Notice of Report to Board enclosed at Attachment 1, incorporated herein for all purposes.

PURSUANT TO TEX. GOV'T CODE § 2306.044 AND 10 TEX. ADMIN. CODE § 2.302, YOU HAVE TWENTY (20) DAYS FROM THE DATE YOU RECEIVE THIS NOTICE TO ACCEPT THIS DETERMINATION AND RECOMMENDED PENALTY OF THE EXECUTIVE DIRECTOR OR MAKE A REQUEST FOR A HEARING TO BE CONDUCTED BY THE STATE OFFICE OF ADMINISTRATIVE HEARINGS TO DETERMINE WHETHER A VIOLATION OCCURRED, THE APPROPRIATE PENALTY AMOUNT, OR BOTH. IF YOU FAIL TO RESPOND TO THIS NOTICE IN A TIMELY MANNER, THE EXECUTIVE DIRECTOR SHALL CAUSE A HEARING TO BE SET.



INSTRUCTIONS – PLEASE READ:

HOW TO ACCEPT THIS RECOMMENDED PENALTY THROUGH THE ATTACHED AGREED FINAL ORDER:

TO ACCEPT THIS NOTICE OF VIOLATION, RESPONDENT MUST PERFORM THE FOLLOWING WITHIN TWENTY (20) CALENDAR DAYS OF RECEIPT THEREOF:

1. SIGN AND RETURN THE ATTACHED AGREED FINAL ORDER;
2. PAY THE ADMINISTRATIVE PENALTY IN THE AMOUNT OF \$13,250.00;
3. SUBMIT DOCUMENTATION PROVING THAT THE OUTSTANDING VIOLATIONS OUTLINED IN THE ATTACHMENTS HAVE BEEN CORRECTED.

RETURN TO:

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
ATTN: LEGAL - YK
P.O. BOX 13941
AUSTIN, TEXAS 78711-3941

HOW TO CONTEST THIS RECOMMENDED PENALTY:

TO CONTEST THIS NOTICE OF VIOLATION, TDHCA STATUTE AND RULES REQUIRE RESPONDENT TO FILE A WRITTEN REQUEST FOR HEARING WITHIN TWENTY (20) CALENDAR DAYS OF THE RECEIPT THEREOF.

RETURN TO:

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
ATTN: LEGAL - YK
P.O. BOX 13941
AUSTIN, TEXAS 78711-3941

IF YOU DO NOT RESPOND:

IF YOU DO NOT RESPOND IN A TIMELY MANNER, TDHCA WILL SET A HEARING WITH THE STATE OFFICE OF ADMINISTRATIVE HEARINGS.

You may contact Ysella Kaseman at 281.798.2499 or ysella.kaseman@tdhca.state.tx.us with any questions. However, a telephone call does not substitute for the requirement of a written response.

Sincerely,

Timothy K. Irvine
Executive Director

TKI/ytk

Attachments:

- Attachment 1 – Report to the Board
- Attachment 2 – Agreed Final Order

Attachment 1

Report to the Board

(see attached)

Attachment 2

Agreed Final Order

(see attached)

ENFORCEMENT ACTION AGAINST
SOUTHMORE PARK APARTMENTS,
LTD. WITH RESPECT TO
SOUTHMORE PARK APARTMENTS
(HTC # 94004 / CMTS # 1204)

§
§
§
§
§

BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 17th day of December, 2015, the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA") considered the matter of whether enforcement action should be taken against **SOUTHMORE PARK APARTMENTS, LTD.**, a Texas limited partnership ("Respondent").

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act ("APA"), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

WAIVER

Respondent acknowledges the existence of their right to request a hearing as provided by TEX. GOV'T CODE § 2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by TEX. GOV'T CODE § 2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

FINDINGS OF FACT

Jurisdiction:

1. On November 20, 1996, Respondent was awarded an allocation of Low Income Housing Tax Credits by the Board, in the amount of \$237,523.00 to build and operate Southmore Park Apartments ("Property") (HTC File No. 94004 / CMTS No. 1204 / LDLD No. 141).

2. Respondent signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective November 20, 1996, and filed of record at Document Number S250798 of the Official Public Records of Real Property of Harris County, Texas ("Records"), as amended by a First Amendment executed on April 5, 2004.
3. Respondent is a Texas limited partnership that is qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development that is subject to the regulatory authority of TDHCA.

Compliance Violations:

4. Property has a history of violations and previously signed an Agreed Final Order on February 2, 2015, agreeing to:
 - a. Pay a \$5,000 Administrative Penalty;
 - b. Pay \$11,160 in delinquent compliance fees;
 - c. Submit corrective documentation within a series of deadlines.

The Agreed Final Order was violated. The administrative penalty was paid and monthly payments are being received for the compliance fees, but no corrective documentation has been received.

5. A subsequent regularly scheduled Uniform Physical Condition Standards ("UPCS") inspection was conducted on March 26, 2015. Inspection reports showed numerous serious property condition violations, a violation of 10 TEX. ADMIN. CODE § 10.621 (Property Condition Standards). Notifications of noncompliance were sent and a July 2, 2015, corrective action deadline was set. Partial corrective action was timely received but the violations at Attachment 1 were not corrected before the deadline and remain unresolved at the time of this order.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503, and 10 TEX. ADMIN. CODE §2.
2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).
3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.

4. Respondent violated 10 TEX. ADMIN. CODE §10.621 in 2015, by failing to comply with HUD's Uniform Physical Condition Standards when major violations were discovered and not timely corrected.¹
5. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules and agreements, the Board has personal and subject matter jurisdiction over Respondent pursuant to TEX. GOV'T CODE §2306.041 and §2306.267.
6. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
7. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code Chapter 2306 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to TEX. GOV'T CODE §2306.041.
8. An administrative penalty of \$13,250 is an appropriate penalty in accordance with 10 TEX. ADMIN. CODE §2.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Board of the Texas Department of Housing and Community Affairs orders the following:

IT IS HEREBY ORDERED that Respondent is assessed an administrative penalty in the amount of \$13,250, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay the \$13,250 administrative penalty by cashier's check payable to the "Texas Department of Housing and Community Affairs" within twenty days after receipt of this Agreed Final Order by Respondent.

IT IS FURTHER ORDERED that Respondent shall repair all UPCS violations marked as uncorrected at *Attachment 1* and submit work orders in the correct format, and including all necessary parts, to document the corrections to TDHCA within twenty days after receipt of this Agreed Final Order by Respondent. Guidelines for work order submission are available at: <http://www.tdhca.state.tx.us/pmcomp/inspections/docs/UPCS-WorkOrderGuidelines.pdf>.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 Tex. Admin. Code §10.406, a copy of which is included at *Attachment 2*, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

¹ HUD's Uniform Physical Condition Standards are the standards adopted by TDHCA pursuant to 10 TEX. ADMIN. CODE 10.621(a)

IT IS FURTHER ORDERED that corrective documentation must be uploaded to the Compliance Monitoring and Tracking System ("CMTS") by following the instructions at this link: <http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf>. After the upload is complete, an email must be sent to Ysella Kaseman at ysella.kaseman@tdhca.state.tx.us to inform her that the documentation is ready for review. The penalty payment must be submitted to the following address:

If via overnight mail (FedEx, UPS):	If via USPS:
TDHCA Attn: Ysella Kaseman 221 E 11 th St Austin, Texas 78701	TDHCA Attn: Ysella Kaseman P.O. Box 13941 Austin, Texas 78711

IT IS FURTHER ORDERED that the terms of this Agreed Final Order shall be published on the TDHCA website.

[Remainder of page intentionally blank]

Approved by the Governing Board of TDHCA on _____, 2015.

By: _____
Name: J. Paul Ozer
Title: Chair of the Board of TDHCA

By: _____
Name: James "Beau" Eccles
Title: Secretary of the Board of TDHCA

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared J. Paul Ozer, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this _____ day of _____, 2015, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

BEFORE ME, _____, a notary public in and for the State of
_____, on this day personally appeared _____, known to me
or proven to me through _____ to be the person whose name is subscribed
to the foregoing instrument, and acknowledged to me that (he/she) executed the same for the
purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is _____, I am of sound mind, capable of making this
statement, and personally acquainted with the facts herein stated.
2. I hold the office of _____ for Respondent. I am the authorized representative
of Respondent, owner of Southmore Park Apartments, which is subject to a Land Use
Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly
authorized by Respondent to execute this document.
3. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with
and consents to the issuance and service of the foregoing Agreed Order by the Board of the
Texas Department of Housing and Community Affairs."

RESPONDENT:

SOUTHMORE PARK APARTMENTS, LTD., a Texas
limited partnership
CVM INTERESTS, INC. a Texas corporation

By: _____
Name: Charles Miller
Title: President

Given under my hand and seal of office this _____ day of _____, 2015.

Signature of Notary Public

Printed Name of Notary Public

NOTARY PUBLIC IN AND FOR THE STATE OF _____
My Commission Expires: _____

Attachment 1

UPCS Violation List
(see attached)

Note: Follow guidelines at <http://www.tdhca.state.tx.us/pmcomp/inspections/docs/UPCS-WorkOrderGuidelines.pdf> when preparing corrections.

Report 2 : Observed Deficiencies Report

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1 of 1

List of Deficiencies Found at Property:

Completion Date: 3/26/2015

Inspector

Inspector: Pete Martins

Status	Count
Occupied	9
Offline	1

Defects Found

Deficiency	L1	L2	L3	Deficiency Title	Deficiency Notes	
						corrected
Site:						
Fencing and Gates			x	Holes/Missing Sections/Damaged/Falling/Leaning	missing sections	5/8/2015
Health & Safety			x	Hazards—Tripping	sidewalk uneven; near pool	not addressed
Bldg 8: TX-94-01238						
802						
Electrical System			x	Missing Covers	cover loose gap around breakers	5/8/2015
Kitchen		x		Dishwasher/Garbage Disposal—Inoperable	dishwasher not functioning;	5/8/2015
817						
Health & Safety			x	Emergency Fire Exits—Emergency/Fire Exits	Bedroom 2; headboard blocking egress	5/8/2015
Smoke Detector			x	Missing/Inoperable	Smoke detector is missing; Bedroom 2;	5/8/2015
Building Exterior						
Roofs			x	Missing/Damaged Components from Downspout/Gutter	Gutter full of debris and/or vegetation;	5/8/2015
Bldg 4: TX-94-01234- CORRECTED 5/8/2015						
410						

Report 2 : Observed Deficiencies Report

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1 of 1

List of Deficiencies Found at Property:

Health & Safety			x	Emergency Fire Exits—Emergency/Fire Exits Blocked/Unusable	Bedroom 1; window boarded up . repaired during inspection; Bedroom 2; dresser blocking egress repaired during inspection; Bedroom 2; window inoperable blocking egress	5/8/2015
Kitchen			x	Dishwasher/Garbage Disposal—Inoperable	garbage disposal not functioning; dishwasher not functioning;	5/8/2015
Kitchen	x			Refrigerator—Missing/Damaged/Inoperable	Fresh food seal needs replaced;	5/8/2015
Smoke Detector			x	Missing/Inoperable	Smoke detector is missing; Hallway/Hall;	5/8/2015
Common Areas: Laundry						
Dryer Vent			x	Dryer Vent—Missing/Damaged/Inoperable	vent disconnected;	5/8/2015
Lighting			x	Missing/Damaged/Inoperable Fixture	lights inoperable	5/8/2015
Bldg 2: TX-94-01232- CORRECTED 5/8/2015						
204						
Health & Safety			x	Flammable/Combustible Materials—Improperly Stored	flammable stored in oven	5/8/2015
Common Areas: Halls/Corridors/Stairs						
Mailboxes			x	Mailbox—Missing/Damaged	missing doors on 6 boxes	5/8/2015
Bldg 1: TX-94-01231						
108 for 110						
Health & Safety			x	Emergency Fire Exits—Missing Exit Signs	Bedroom 2; headboard blocking egress	work order unclear re: unit #?
Health & Safety			x	Other	on key to 110 management states belongs to employee not at property	3/26/2015
Kitchen			x	Dishwasher/Garbage Disposal—Inoperable	dishwasher not functioning;	work order unclear re: unit #?
Common Areas: Other Community Spaces						
Lighting			x	Missing/Damaged/Inoperable Fixture	light inoperable	
Outlets/Switches/Cover Plates			x	Outlets/Switches/Cover Plates—Missing/Broken	missing covers x3	
Bldg 6: TX-94-01236- CORRECTED 5/8/2015						
603						
Electrical System			x	GFI—Inoperable	Kitchen;	5/8/2015

Report 2 : Observed Deficiencies Report

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1 of 1

List of Deficiencies Found at Property:

Health & Safety			x	Emergency Fire Exits—Emergency/Fire Exits Blocked/Unusable	Bedroom 1; furniture blocking egress repaired during inspection;	5/8/2015
Smoke Detector			x	Missing/Inoperable	smoke detector is not functioning;battery needs replaced;Bedroom 3; Smoke detector is missing;Bedroom 2;Bedroom 1;	5/8/2015
Bldg 3: TX-94-01233						
301						
Bathroom	x			Bathroom Cabinets—Damaged/Missing	damaged	not addressed
Bathroom			x	Shower/Tub—Damaged/Missing	missing hardware	not addressed
Bathroom			x	Water Closet/Toilet—Damaged/Clogged/Missing	toilet not functioning ;	not addressed
Doors			x	Damaged Hardware/Locks	entry missing	not addressed
Doors			x	Missing Door	missing throughout	not addressed
Electrical System			x	GFI—Inoperable	missing throughout	not addressed
Electrical System			x	Missing Breakers/Fuses	inoperable	5/8/2015
Floors			x	Soft Floor Covering Missing/Damaged	missing throughout	not addressed
HVAC System			x	Inoperable	missing	not addressed
Kitchen		x		Dishwasher/Garbage Disposal—Inoperable	dishwasher not functioning;	not addressed
Kitchen			x	Range/Stove—Missing/Damaged/Inoperable	2 or more bumers do not function;	not addressed
Lighting			x	Missing/Inoperable Fixture	missing fixtures	not addressed
Outlets/Switches			x	Missing	missing throughout	5/8/2015
Walls			x	Mold/Mildew/Water Stains/Water Damage	mildew in laundry	not addressed
Bldg 7: TX-94-01237- CORRECTED 5/8/2015						
703						
Doors	x			Damaged Hardware/Locks	Hinges loose/damaged ;Kitchen;	5/8/2015
Doors			x	Damaged Surface (Holes/Paint/Rust/Glass)	door edge split;Bathroom 1;	5/8/2015
Bldg 5: TX-94-01235-CORRECTED 5/8/2015						

Report 2 : Observed Deficiencies Report

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1 of 1

List of Deficiencies Found at Property:

511					
Doors		x	Damaged Hardware/Locks	Striker plate misaligned/missing ;Bedroom 1;Bedroom 2;Bedroom 3;	5/8/2015
Doors			x Damaged Surface (Holes/Paint/Rust/Glass)	peeling paint;Bedroom 3;	5/8/2015
Doors	x		Missing Door	laundry	5/8/2015
Kitchen	x		Refrigerator-Missing/Damaged/Inoperable	Fresh food seal needs replaced;	5/8/2015
514					
Health & Safety			x Emergency Fire Exits—Emergency/Fire Exits	Bedroom 2; headboard blocking egress	5/8/2015

Attachment 2:

Texas Administrative Code

TITLE 10

COMMUNITY DEVELOPMENT

PART 1

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CHAPTER 10

UNIFORM MULTIFAMILY RULES

SUBCHAPTER E

POST AWARD AND ASSET MANAGEMENT REQUIREMENTS

RULE §10.406

Ownership Transfers (§2306.6713)

(a) **Ownership Transfer Notification.** All multifamily Development Owners must provide written notice to the Department at least thirty (30) calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Transfers that are the result of an involuntary removal of the general partner by the investment limited partner must be reported to the Department, as soon as possible due to the sensitive timing and nature of this decision. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure, staff may make a recommendation to the Board for the debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with §1.5 of this title (relating to Previous Participation Reviews), prior to recommending any new financing or allocation of credits.

(b) **Requirement.** Department approval must be requested for any new member to join in the ownership of a Development. Exceptions include changes to the investment limited partner, non-controlling limited partner, or other partners affiliated with the investment limited partner, or changes resulting from foreclosure wherein the lender or financial institution involved in the transaction is the resulting owner. Any subsequent transfer of the Development will be required to adhere to the process in this section. Furthermore, a Development Owner may not transfer an allocation of tax credits or ownership of a Development supported with an allocation of tax credits to any Person or entity unless the Development Owner obtains the Executive Director's prior, written approval of the transfer. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section. Notwithstanding the foregoing, a Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new members or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(c) **Transfers Prior to 8609 Issuance or Construction Completion.** Transfers (other than those that do not require Executive Director approval, as set forth in subsection (b) of this section) will not be approved prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) unless the Development Owner can provide evidence that the need for the transfer is due to a hardship (ex. potential bankruptcy, removal by a partner, etc.). The Development Owner must provide the Department with a written explanation describing the hardship and a copy of any applicable agreement between the parties to the transfer, including any Third-Party agreement.

(d) **Non-Profit Organizations.** If the ownership transfer request is to replace a non-profit organization within the Development ownership entity, the replacement non-profit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Non-Profit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Non-Profit Organization that meets the requirements of §42(h)(5) of the Code and Texas Government Code §2306.6706.

(2) If the LURA requires ownership or material participation in ownership by a qualified non-profit organization, but the Development did not receive Tax Credits pursuant to §42(h)(5) of the Code, the Development Owner must show that the transferee is a non-profit organization that complies with the LURA.

(e) Historically Underutilized Business ("HUB") Organizations. If a HUB is the general partner of a Development Owner and it (i) is being removed as the result of a default under the organizational documents of the Development Owner or (ii) determines to sell its ownership interest, in either case, after the issuance of 8609s, the purchaser of that general partnership interest is not required to be a HUB as long as the LURA does not require such continual ownership or a material LURA amendment is approved. Such approval can be obtained concurrent with Board approval described herein. All such transfers must be approved by the Board and require that the Board find that:

(1) the selling HUB is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(2) the participation by the HUB has been substantive and meaningful, or would have been substantial and meaningful had the HUB not defaulted under the organizational documents of the Development Owner, enabling it to realize not only financial benefit but to acquire skills relating to the ownership and operation of affordable housing; and

(3) the proposed purchaser meets the Department's standards for ownership transfers

(f) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances that gave rise to the need for the transfer and the effects of approval or denial. Documentation includes but is not limited to:

(1) a written explanation outlining the reason for the request;

(2) a list of the names of transferees and Related Parties;

(3) detailed information describing the experience and financial capacity of transferees and related parties holding an ownership interest of 10 percent or greater in any Principal or Controlling entity;

(4) evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least thirty (30) calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired.

(g) Within five (5) business days after the date the Department receives all necessary information under this section, staff shall initiate a qualifications review of a transferee, in accordance with §1.5 of this title, to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter.

(h) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) in cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) in cases where the general partner is being replaced if the award of credits was made at least five (5) years prior to the transfer request date.

(i) Penalties. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department.

(j) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by corresponding ownership transfer fee as outlined in §10.901 of this chapter (relating to Fee Schedule).

Source Note: The provisions of this §10.406 adopted to be effective December 9, 2014, 39 TexReg 9518

1e

BOARD ACTION REQUEST
HOUSING RESOURCE CENTER
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on the 2016 State of Texas Consolidated Plan: One-Year Action Plan

RECOMMENDED ACTION

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) requires the submission of a One-Year Action Plan in accordance with 24 CFR §91.320;

WHEREAS, the draft One-Year Action Plan was approved by the Board on October 15, 2015, and released for public comment; and

WHEREAS, the public comment received has been considered and reasoned responses have been provided;

NOW, therefore, it is hereby

RESOLVED, that the 2016 State of Texas Consolidated Plan: One-Year Action Plan, in the form presented to this meeting, is hereby approved and the Executive Director and his designees are each hereby authorized, empowered and directed, for and on behalf of the Department, to submit the 2016 State of Texas Consolidated Plan: One-Year Action Plan to HUD and, in connection therewith, to make such nonsubstantive grammatical and technical changes as they deem necessary or advisable.

BACKGROUND

The Texas Department of Housing and Community Affairs (“TDHCA”), Texas Department of Agriculture (“TDA”), and Department of State Health Services (“DSHS”) prepared the 2016 State of Texas Consolidated Plan: One-Year Action Plan (“Plan”) in accordance with 24 CFR §91.320. TDHCA coordinates the preparation of the State of Texas Consolidated Plan documents. The Plan covers the State’s administration of the Community Development Block Grant Program (“CDBG”) by TDA, the Housing Opportunities for Persons with AIDS Program (“HOPWA”) by DSHS, and the Emergency Solutions Grant (“ESG”) Program and the HOME Investment Partnerships (“HOME”) Program by TDHCA.

The Plan reflects the intended uses of funds received by the State of Texas from HUD for Program Year 2016. The Program Year begins on February 1, 2016, and ends on January 31, 2017. The Plan also illustrates the State’s strategies in addressing the priority needs and specific goals and objectives identified in the 2015-2019 State of Texas Consolidated Plan.

A copy of the Plan to be approved by the Board for submission to HUD can be found online at TDHCA’s Board Meeting Information Center website at <http://www.tdhca.state.tx.us/board/meetings.htm>.

The Plan was available for public comment from October 19, 2015, through November 19, 2015. Comment on the Plan was accepted in writing or directly at the public hearing held on Monday, November 16, 2015, in Austin, Texas.

There were four entities with comments on the Plan, for which one change was made. A list of the comments and staff responses is found in Attachment A of the Plan.

Additionally, in response to HUD's Interim Final Rule on Changes to Accounting Requirements for CDBG, published in the *Federal Register* November 12, 2015, detail relating to program income retained by local subrecipients has been added to the Plan. This detail is provided as Attachment B and contains a description of each of these local subrecipient accounts, including the name of the local entity administering the funds, the amounts expected to be available during the program year, the eligible activity type(s) expected to be carried out with the program income, and the national objective(s) served with these funds.

Per 24 CFR §91.15(a)(1), the Plan should be submitted to HUD on December 15, 2015, which is at least 45 days before the start PY 2016. However, on August 13, 2015, the Department received written approval from HUD following a request to extend the submission date to January 15, 2016. This extension allows the Department to incorporate new regulatory and reporting requirements into the Plan, while adhering to the State of Texas Citizen Participation Plan. The final version of the Plan is due to HUD by January 15, 2016.

Staff recommends approval of the 2016 State of Texas Consolidated Plan: One-Year Action Plan.

2016 State of Texas Consolidated Plan One-Year Action Plan



As presented to the TDHCA Board of Directors on December 17, 2015

Prepared by:

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Executive Summary

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

1. Introduction

The 2016 One-Year Action Plan ("OYAP") illustrates the combined actions of the Texas Department of Housing and Community Affairs ("TDHCA"), the Texas Department of Agriculture ("TDA"), and the Texas Department of State Health Services ("DSHS"), referred to collectively as the "State." The OYAP reports on the intended use of funds received by the State of Texas from the U.S. Department of Housing and Urban Development ("HUD") for Program Year ("PY") 2016. This OYAP is for the HOME Investment Partnerships ("HOME") Program, the Emergency Solutions Grant ("ESG") Program, the Community Development Block Grant ("CDBG") Program, and the Housing Opportunities for Persons with AIDS ("HOPWA") Program. The 2016 PY begins on February 1, 2016, and ends on January 31, 2017. The performance report on PY 2014 funds was made available July 2015.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The 2016 OYAP:

1. Reports on the intended use of funds received by the State from HUD for PY 2016;
2. Explains the State's method for distributing CDBG, ESG, HOME, and HOPWA program funds; and
3. Provides opportunity for public input on the development of the annual plan.

The State's progress in achieving the goals put forth in the OYAP will be measured according to HUD guidelines (24 CFR §91.520) and outlined in the Annual Performance Report released yearly in May.

In accordance with the guidelines from HUD, the State complies with the Community Planning and Development ("CPD") Outcome Performance Measurement System. Program activities are categorized into the objectives and outcomes listed in the CPD Outcome Performance Measurement System table below.

The objectives and outcomes as they apply to each of the four programs are listed below. The estimated performance figures are based on planned performance during the PY (February 1st through January 31st) of contracts committed and projected households to be served based on estimated availability of funds. In contrast, the performance measures reported to the Texas Legislative Budget Board for the

State Fiscal Year (“SFY” - September 1st through August 31st) are based on anticipated units and households at time of award.

OBJECTIVES	OUTCOME 1 Accessibility	OUTCOME 2 Affordability	OUTCOME 3 Sustainability
OBJECTIVE #1 Suitable Living Environment	Enhance Suitable Living Environment Through Improved/New Accessibility (SL-1)	Enhance Suitable Living Environment Through Improved/New Affordability (SL-2)	Enhance Suitable Living Environment Through Improved/New Sustainability (SL-3)
OBJECTIVE #2 Decent Housing	Create Decent Housing with Improved/New Availability (DH-1)	Create Decent Housing with Improved/New Affordability (DH-2)	Create Decent Housing with Improved/New Sustainability (DH-3)
OBJECTIVE #3 Economic Opportunity	Provide Economic Opportunity Through Improved/New Accessibility (EO-1)	Provide Economic Opportunity Through Improved/New Affordability (EO-2)	Provide Economic Opportunity Through Improved/New Sustainability (EO-3)

Table 1 - CPD Outcome Performance Measurement System

Outcomes and Objectives	HOME Performance Indicators	Expected Number
DH-2	No. of rental units assisted through new construction and rehabilitation	172
DH-2	No. of tenant-based rental assistance (363
DH-2	No. of existing homeowners assisted through owner-occupied assistance	58
DH-2	No. of homeowners assisted through homebuyer assistance	54

Table 2 - HOME Program Performance Measures, PY 2016

Outcomes and Objectives	ESG Performance Indicators	Expected Number
SL-1	Provide funding to support the provision of emergency and/or transitional shelter to homeless persons.	11,500
DH-2	Provide of non-residential services including homelessness prevention assistance.	4740

Table 3 - ESG Performance Measures, PY 2016

Objectives and Outcomes	CDBG Performance Indicators	Expected Number
SL-1	Infrastructure Improvements	220
SL-2	Infrastructure Improvements	10
SL-3	Infrastructure Improvements	65
SL-1	Residential Rehabilitation	50
DH-3	Residential Rehabilitation	2
DH-2	Homeownership Assistance	0
SL-1	Community Facilities	8
SL-1	Public Service	0
SL-1	Clearance Demolition Activities	5
EO-1	Direct Financial Assistance	32
EO-2	Direct Financial Assistance	5
EO-3	Infrastructure Improvements to Assist Businesses	30

Table 4 - CDBG Performance Measures, PY 2016

Outcomes and Objectives	HOPWA Performance Indicators	Expected Number
DH-2	TBRA housing assistance	448
DH-2	Short-term rent, mortgage, and utility (426
DH-2	Supportive Services (restricted to housing case mgt., smoke detectors, and phone service)	823
DH-1	Permanent Housing Placement (security deposits, application fees, and credit checks)	16

Table 5 - HOPWA Performance Measures, PY 2016

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The information below is for HOME, ESG, CDBG, and HOPWA for PY 2014 (February 1, 2014 to January 31, 2015).

HOME Evaluation of Past Performance

TDHCA's HOME program committed \$30,437,477.99 in program funds through seven different types of HOME Program activities in PY 2014, representing assistance to 1,008 households. Details on the amount committed in each activity type are included in the chart below.

ESG Evaluation of Past Performance

ESG is expended by Federal Fiscal Year (10/1-9/30). TDHCA evaluated ESG funds committed versus funds expended by activity for PY 2014, a time period that consists of half of Federal Fiscal Year 2013 (2/1/2013-9/30/2014) and Federal Fiscal Year 2014 (10/1/2014-1/31/2015). Based on TDHCA's ESG analysis, expenditures had limited disparities and were well within the expected range of state funding for activities, based on goals in the 2014 OYAP. Disparities were found in Homelessness Prevention, where the State committed 23% of the overall budget and the activity accounted for 26% of expenditures, and in Rapid Re-Housing, where the State committed 32% of the total budget and the activity accounted for 30% of expenditures. This indicates that the State effectively programmed and expended funds consistent with its desired goals.

CDBG Evaluation of Past Performance

During PY 2014, the Texas CDBG Program committed a total of \$73,970,187 through 255 awarded contracts. For contracts that were awarded in PY 2014, 394,390 persons were anticipated to receive service. The Colonia Self Help Centers awarded \$1,564,167 in contracts outside the PY2014 reported below. Distribution of the funds by activity is described in the table below.

HOPWA Evaluation of Past Performance

In PY 2014, the DSHS HOPWA program served 455 households with TBRA (113% of the OYAP goal), 369 households with STRMU assistance (86% of the OYAP goal), and 12 households with Permanent Housing Placement ("PHP") assistance (80% of the OYAP goal) for a total of 818 unduplicated households. Of the total households served, 755 also received HOPWA-funded Supportive Services (91% of the OYAP goal). All HOPWA clients receive housing supportive services at some level, but some costs were leveraged with other funding sources. Client outcome goals for housing stability, reducing homelessness risk, and improving access to care were also achieved. (Subtotaled and/or totaled dollar amounts may not be exact due to all expenses are reported to two decimal points but are rounded to nearest whole dollar for the HOPWA chart.)

HOME Activity	Total Committed
Homebuyer Assistance	\$1,598,283.94
Homeowner Rehabilitation	\$17,715,798.05
Tenant-Based Rental Assistance	\$3,147,580
CHDO Rental Development	\$0
CHDO Single Family Development	\$875,816
CHDO Operating Expenses	\$50,000
Rental Housing Development	\$7,050,000

Table 6 - HOME Commitments by Activity, PY 2014

ESG Activity	Total Funds Expended
Street Outreach	\$574,171.64
Emergency Shelter	\$2,942,980.72
Homelessness Prevention	\$1,733,494.78
Rapid Re-Housing	\$3,008,286.69
Homeless Management Information Systems	\$505,803.32
Administration	\$321,800
Total	\$9,387,050.09

Table 7 - ESG Fund Expenditures by Activity, PY 2014

CDBG Fund	Total Obligation
Community Development Fund	\$36,923,015
Texas Capital Fund	\$8,861,714
Colonia Planning and Construction Fund	\$3,948,986
Colonia Economically Distressed Areas Program Fund	\$2,034,326
Colonia Self-Help Centers ("SHC")*	\$1,495,828
Planning / Capacity Building	\$540,640
Disaster Relief/ Urgent Need	\$2,446,820
STEP Fund	\$1,866,793
Administration (including TA) 3%	\$1,794,993
Admin - \$100k (in addition to the 3%)	\$100,000
Total	\$59,833,115
*The Colonia Self Help Centers allocated \$1,495,828 in PY2014	

Table 8 - CDBG Funds Committed, PY 2014

HOPWA Activity	Amount
Expenditures for Housing Information Services	\$0
Expenditures for Resource Identification	\$0
Expenditures for Housing Assistance (equals the sum of all sites and scattered-site Housing Assistance)	\$2,060,888
Expenditures for Supportive Services	\$375,629
Grantee Administrative Costs expended	\$70,639
Project Sponsor(s) Administrative Costs expended	\$161,006

Table 9 - HOPWA Program Expenditures, PY 2014

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The State is committed to collaboration with a diverse cross-section of the public in order to meet the various affordable housing needs of Texans. The State also collaborates with governmental bodies, nonprofits, and community and faith-based groups. Following the release of the Draft 2016 One Year Action Plan, a 30-day public comment period was open from October 19, 2015, through November 19, 2015. During this time, a public hearing was held in Austin. Public comment solicited in person at the public hearing, in writing by email, fax, or mail. More information on the citizen participation, consultation, and public comment are included in the Consultation and Participation sections of the Plan. Following the release of HUD's Final Rule to Affirmatively Further Fair Housing, the State is making efforts to update the Citizen Participation Plan and Language Access Plan, as the State works towards the development of the Assessment of Fair Housing, anticipated to occur in or near May 2019.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Following the release of the Draft 2016 OYAP, the Public Comment period was open from from October 19, 2015, through November 19, 2015 and a public hearing was held on November 16, 2015 in Austin, TX. The State received 18 total comments from the following 4 organizations: Amaging Grants, Inc., MET, Inc., SafePlace, and Lifeworks. A summary of the comments received and reasoned responses are Provided in Attachment A: Public Comment on the 2016 One Year Action Plan and Staff's Reasoned Responses.

6. Summary of comments or views not accepted and the reasons for not accepting them

The comments or views not accepted have been included in Attachment A: Public Comment on the 2016 One Year Action Plan and Staff's Reasoned Responses. Because of the flexible nature of the Plan development, all comments are considered for revisions.

7. Summary

The consolidated planning process occurs once every five years, so creating a comprehensive 2015-2019 Consolidated Plan was vital for CDBG, HOME, ESG, and HOPWA. Because of the Consolidated Plan's authority to govern these programs, research from multiple sources, including other government plans, peer-reviewed journals, news sources, and fact sheets were used; valuable public input was gathered through roundtable meetings, council/workgroup meetings, public hearings, online surveys, and an online forum; and an expansive public input process was included in the development of the Consolidated Plan. The 2015-2019 Consolidated Plan is now carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan.

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

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

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

Agency Role	Department/Agency
CDBG Administrator	Texas Department of Agriculture
HOPWA Administrator	Texas Department of State Health Services
HOME Administrator	Texas Department of Housing and Community Affairs
ESG Administrator	Texas Department of Housing and Community Affairs

Table 10 – Responsible Agencies

Narrative

TDHCA administers the ESG Program and the HOME Program; the TDA administers the CDBG Program; and DSHS administers the HOPWA Program. All of these programs, known collectively as Community Planning and Development (“CPD”) Programs, are covered in the 2016 OYAP. TDHCA is the entity responsible for overseeing the development of the OYAP.

Key Organizational Events

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

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

With the exception of the Section 8 Housing Choice Voucher Program, TDHCA, TDA, and DSHS administer their programs and services through a network of organizations across Texas and do not typically fund individuals directly. Depending on the program, organizations include units of local government, councils of governments, nonprofit organizations, for-profit organizations, Administrative

Agencies ("AA"), Public Housing Authorities ("PHAs"), and Community Housing Development Organizations ("CHDOs").

Consolidated Plan Public Contact Information

ESG and HOME Contact Information:

Texas Department of Housing and Community Affairs

PO Box 13941, Austin, TX 78711-3941

(800) 525-0657

<http://www.tdhca.state.tx.us/>

CDBG Contact Information:

Texas Department of Agriculture, Office of Rural Affairs

PO Box 12847, Austin, TX 78711-2847

(800) 835-5832

<http://texasagriculture.gov/Home/ContactUs.aspx>

HOPWA Contact Information:

DSSH HIV/STD Prevention and Care Branch, HIV Care Services Group, HOPWA Program

PO Box 149347, Mail Code 1873, Austin, TX 78714-9347

(512) 533-3000.

<http://www.dshs.state.tx.us/hivstd/hopwa/default.shtm>

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

In an effort to gather information from diverse audiences, TDHCA uses many forms of technology to communicate efficiently, including online surveys, forums, social media, and email distribution. Online surveys increase the response rate of participants as well as allowing for faster data analysis, as illustrated in the ESG electronic survey, described below. Also, online forums are used in the development of program rules and distribution methods. Online forums are advertised at workgroups and committees as well as on social media. The availability of all these methods is communicated primarily via the TDHCA website, opt-in email distribution lists, and social media.

An online presence allows TDHCA to reach out to encourage participation and consultation. The External Affairs Division of TDHCA has implemented a social media presence, specifically through Twitter and Facebook. Numerous tweets and posts were sent out during the public input process on the development of the Plan. Furthermore, TDHCA sends out notices via voluntary email lists, where subscribed individuals and entities can receive email updates on TDHCA information, announcements, and trainings. Use of technology allows fast communication to a large audience.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The Texas Legislature has created the Housing and Health Services Coordinating Council which meets not less than quarterly and carries out a variety of coordinating, educational, analytical, and training efforts. This council is chaired by TDHCA's executive director and has representation from a wide array of agencies that provide health related services. It is supported by TDHCA staff.

The State works to enhance coordination between public and assisted housing providers, and private and governmental health, mental health and service agencies. For example, TDHCA staff routinely attends inter- and intra-agency meetings to educate and coordinate housing and services, as described in the following sections of the 2015-2019 Consolidated Plan: Strategic Plan Section 35, Anticipated Resources, and Action Plan Section 65, Homeless and Other Special Needs. The State is also a subrecipient of Money Follows the Persons funds via the Department of Aging and Disability Services and of Section 811 funds – in both programs intensive coordination and collaboration is occurring relating to the interplay between health services and housing.

DSHS contracts with seven AAs across the State to provide administrative support in implementing the State's HOPWA formula program. AAs work with HIV Planning Councils in major metropolitan areas and with other organizations and stakeholders outside the major metropolitan areas to develop comprehensive HIV Services plans and needs assessments, which are developed through consultation

with clients and other stakeholders through interviews, surveys, focus groups, and/or public hearings. AAs must communicate with stakeholders through disseminating written copies of services plans, posting the plans on the internet, town hall meetings, and advisory groups. Project Sponsors work closely with the local public housing authority offices to identify and establish relationships with other organizations that may have available resources. This ongoing collaboration provides access to organizations and programs, such as the housing choice vouchers; Continuum of Care ("CoC"); community health clinics; churches and private foundations; and Ryan White and HIV Planning Councils.

TDHCA launched its new fair housing email list in July 2014. This email list is meant for all persons and organizations who wish to be updated on fair housing-related TDHCA news, event information, and announcements. Because of the time needed to sign up to the email list, other email lists were used to advertise consultations. However, fair housing organizations received notice of the consultations, as evidenced by their participation in the Online Forum and Single Family Roundtables.

TDA consults with local governments both in person and through web-based meetings. As a part of the traditional CDBG planning process, public hearings were held in each of the 24 Council of Government planning regions. Each Regional Review Committee, composed of local elected officials, discussed local funding priorities for the Community Development Fund and adopted scoring criteria to implement those priorities. TDA also conducted two webinars to provide information regarding changes proposed for the CDBG program. Local governments and professional service providers associated with the program from across the state participated in the online presentation and discussion and provided written feedback to the agency. These same proposals were also discussed in the Regional Review Committee public hearings. Changes to the Community Development Fund, the largest funding category in the CDBG program, were postponed as a result of these consultations and will receive further review and revision.

Provide a concise summary of the state's activities to enhance coordination with local jurisdictions serving Colonias and organizations working within Colonias communities.

There are two main methods in which TDHCA coordinates its work with other colonia-serving entities. One relates to the Colonia SHC Program which funds specific Texas-border county governments with four-year contracts. Awards and funding associated with this program are reviewed and recommended by a Colonia Resident Advisory Group ("C-RAC"). The other coordination effort relates to a cross-agency effort organized by the Texas Secretary of State that generates structured communications and data collection in conjunction with other state agencies serving colonias with their respective programs.

On a very frequent basis—weekly or more often—TDHCA provides guidance and oversight to the county governments with which TDHCA has executed a SHC contract. Somewhat less often, TDHCA provides guidance and technical assistance to the housing subgrantees with whom each respective county has contracted to achieve specific deliverables per their individualized SHC subcontract. Every one to two years, TDHCA organizes and implements a workshop for all eligible counties and their subgrantees to

review rules and best practices and to exchange other program updates. Periodically, TDHCA convenes a meeting with the C-RAC, which is a group of colonia residents who live in the specific colonias served by the centers. This grass-roots-style committee approves contracts, evaluates county recommendations and provides TDHCA and the counties with guidance on programming and activities in the colonias. Lastly, approximately every two years, TDHCA updates its SHC Program rules, and initiates this process by first soliciting comment from the public at large for critiques of the current rules and suggestions for changes.

As a part of the processes discussed above, TDA met with elected officials from counties serving colonia areas. The local leaders discussed funding priorities for the Community Development Fund, including projects that could serve colonia areas.

On a quarterly basis, TDHCA and TDA convene with several other state agencies that directly serve colonia residents in the areas of utilities infrastructure, transportation infrastructure, water/water water, health services, housing, and consumer issues. This group is called the Colonia Interagency Infrastructure Coordination Work Group and is organized by the Texas Office of the Secretary of State's Colonia Initiatives Program. This group has been meeting regularly since approximately 2007 when Texas passed legislation requiring the systematic identification and classification of Texas colonias, and the tracking of colonia-serving state-funded projects. The overarching goal of the workgroup is to stop the proliferation of colonias and improve the health, safety, and quality of life for colonia residents in the Texas-Mexico border region. By classifying colonias based on their level of infrastructure and access to public health services, various state agencies, and the Texas Legislature are able to prioritize funding and target colonias with critical needs (Texas Office of the Secretary of State, 2010). Besides TDHCA and TDA, other agency members of this work group include the Texas Water Development Board ("TWDB"), the Texas Commission on Environmental Quality, the Texas Department of Transportation, HHSC, and the DSHS.

Further, to promote greater supply of rental housing for colonia residents, TDHCA has scoring criteria in its Qualified Allocation Plan for properties proposed in colonias.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Texas Interagency Council for the Homeless ("TICH") was created in 1989 by the Texas Legislature to coordinate the State's homeless resources and services. The 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. TICH'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 ("HHSC"), a strategic plan to address the needs of the homeless; and
- maintaining a central resource and information center for the homeless.

The TICH holds quarterly meetings and has four committees: Housing and Supportive Services; Homelessness Prevention; Data, Research and Analysis; and State Infrastructure. In addition, the Texas Interagency Council for the Homeless has been meeting with the CoCs to coordinate homeless services. These efforts are reinforced by the 2011 update to HUD's 24 Code of Federal Regulation ("CFR") Part 91 that requires ESG recipients to expand consultation with community partners and CoCs in the formation of consolidated planning documents. The consultation addresses the allocation of resources; development of performance standards and evaluation; and development of funding, policy and procures for operating state-required Homeless Management Information Systems ("HMIS"). The TICH held a quarterly meeting during the development of the Plan and TDHCA took input from the TICH on housing and community development needs. In 2016 TDHCA will share with the TICH, information about HUD's new definition of chronically homeless.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

TDHCA releases its annual ESG survey, which seeks direct program input from Continua of Care ("CoCs") and their member agencies regarding allocation of ESG funds, development of performance standards and outcomes evaluation, and development of funding, policies, and procedures for the administration of HMIS. On January 9, 2014, TDHCA released a survey to receive input of CoCs in the State of Texas on the allocation of funding, performance standards and HMIS policies and procedures for its 2014 ESG funds. Comments received from fourteen agencies representing six CoCs. Notice of the survey was sent out via list serve announcement. Comments were collected electronically. Comments received that impacted the 2014 allocation of funds were considered in planning the 2014 and 2015 competitive award cycle. TDHCA anticipates releasing a similar survey during fall of 2015 or winter of 2016 to gather input for future planning.

Persons who commented on the 2014 ESG survey generally supported the TDHCA method of allocation and did not support the idea of limiting funding to applicants that do not receive direct funding from HUD. Emergency shelter, homelessness prevention, and rapid re-housing remain the highest needs among the commenters. Commenters generally support the idea of direct ESG funding to the CoCs but require more information and clarity on the actual administrative process should this funding method

be used. In addition, commenters requested that TDHCA align its reporting to mirror the HMIS. TDHCA reporting is based on HUD's requirements for the Consolidated Annual Performance Report ("CAPER"). As HUD moves to revise the CAPER to more closely reflect HMIS, TDHCA will follow.

TDHCA also consults with CoCs through involvement in the TICH and through participation in the Texas Conference on Ending Homelessness. In the past few years, TDHCA piloted a direct funding program with one CoC that will inform future coordination with all CoCs. In 2015, TDHCA worked with one other CoC to award TDHCA ESG funds through a local competition. These pilots will inform future coordination with all CoCs.

TDHCA acknowledges that domestic violence programs may use a comparable database per the Violence Against Women Act and HUD guidance.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 11 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	TICH
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Other government - Federal Other government - State Other government - County Other government - Local

	<p>What section of the Plan was addressed by Consultation?</p>	<p>Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy</p>
	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Input on the 2016 OYAP was sought at the October 14, 2015 quarterly meeting of the Texas Interagency Council for the Homeless (TICH). The function of the TICH is to coordinate the state's resources and services to address homelessness. TICH serves as an advisory committee to TDHCA. Representatives from eleven state agencies sit on the council along with members appointed by the governor, lieutenant governor, and speaker of the house of representatives.</p>
2	<p>Agency/Group/Organization</p>	<p>Rural Health and Economic Development Advisory Council</p>
	<p>Agency/Group/Organization Type</p>	<p>Housing Services - Housing Services-Health Other government - State Other government - County Other government - Local Regional organization Planning organization Business and Civic Leaders</p>
	<p>What section of the Plan was addressed by Consultation?</p>	<p>Economic Development Anti-poverty Strategy CDBG Method of Distribution</p>
	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>On September 16, 2015, the Rural Health and Economic Development Advisory Council met in Austin, TX to provide input on the CDBG Method of Distribution. Consisting of nine members, this council is tasked with identifying rural policy priorities and reviewing the effectiveness of existing rural programs. The council's Rural Policy plan focused on strategic initiatives for economic and community development, improvements to existing rural health care systems and recommendations for the use and allocation of Community Development Block Grant funding, which is used to make improvements in rural communities across Texas.</p>

Identify any Agency Types not consulted and provide rationale for not consulting

As indicated in the Introduction, during the ongoing consultation and public participation process, Texas seeks input from a wide range of agency types.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Texas Homeless Network	Texas Homeless Network (THN) is a non-profit membership-based organization helping Texas communities prevent and end homelessness. THN provides training and technical assistance around the state of Texas helping service providers and communities better serve the homeless population with the end goal of preventing and ending homelessness.
Pathways Home	TICH	Pathways Home presents findings which indicate that greater coordination of employment and health service resources with local housing programs would expand the State's capacity to prevent and end episodes of homelessness. In response to the study findings, Pathways Home proposes a framework to help more of the State's most vulnerable citizens to enter and remain in safe housing.

Table 12 – Other local / regional / federal planning efforts

Narrative

Since the consolidated planning process is an ongoing effort, the State continues to consult with agencies, groups, and organizations through the program year cycles for CDBG, ESG, HOME and HOPWA.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

The State recognizes that citizen participation and consultation are ongoing processes. During the development of the 2015-2019 Consolidated Plan, comprehensive outreach was conducted to gather input. This comprehensive outreach continues through the development of each Annual Action Plan, within the 5-year consolidated planning process. Following the release of HUD's Final Rule to Affirmatively Further Fair Housing, the State is making efforts to update the Citizen Participation Plan and Language Access Plan, as the State works towards the development of the Assessment of Fair Housing, anticipated to be due to HUD in approximately May 2019.

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

Encouragement of Public Participation

To reach minorities and non-English speaking residents, the Plan outreach follows TDHCA's Language Access Plan. Also, the notices are available in Spanish and English, per Texas Government Code §2105. Translators will be made available at public meetings, if requested.

The State encourages the involvement of individuals of low incomes and persons with disabilities in the allocation of funds and planning process through regular meetings, including community-based institutions, consumer workgroups, and councils (many of these meetings are listed in the Strategic Plan Section 35 of the 2015-2019 Consolidated Plan). All public hearing locations are accessible to all who choose to attend. Comments can be submitted either at a public hearing or in writing via mail, fax, or email.

The State notifies residents in areas where CDBG funds are proposed for use by distributing information on public hearings through the CDBG email list from TDA. Information related to the Plan and opportunities for feedback were provided through webinars and web discussions that allowed participation by residents of rural areas without requiring travel to a central location. Regional public hearings held as part of the Regional Review Committee process also encouraged participation by CDBG stakeholders.

Public hearings

The Draft 2016 OYAP was released for a 30-day public comment period from October 19, 2015, to November 19, 2015. A public hearing was held in Austin on November 16, 2015. Constituents were encouraged to provide input regarding all programs in writing or at the public hearing. The public hearing schedule is published in the Texas Register and on TDHCA's website at <http://www.tdhca.state.tx.us>, and is advertised during various workgroups and committee meetings. During the public comment period, printed copies of the draft Plan were available from TDHCA, and electronic copies may be available for download from TDHCA's website.

Criteria for Amendment to the Consolidated Plan

Substantial amendments will be considered if a new activity is developed for any of the funding sources or there is a change in method of distribution. If a substantial amendment is needed, reasonable notice by publication on TDHCA's website at <http://www.tdhca.state.tx.us> will be given, and comments will be received for no less than 30 days after notice is given. A public hearing will be optional.

Performance Report

The 2017 CAPER will analyze the results of the 2016 OYAP. Due to the short 90-day turnaround time of the CAPER between the end of HUD's Program Year (1/31) and the due date, the public will be given reasonable notice by publication on TDHCA's website at <http://www.tdhca.state.tx.us>. Comment will be accepted for a minimum of 15 days. A public hearing will be optional.

2. Summary citizen participation process and efforts made to broaden citizen participation in Colonias

There are two main methods in which TDHCA coordinates its work with other colonia-serving entities. One relates to the Colonia Self Help Center Program which funds specific Texas-border county governments with four-year contracts. Awards and funding associated with this program are reviewed and recommended by a Colonia Resident Advisory Group ("C-RAC"), which is a group of colonia residents who live in the specific colonias served by the centers. The other coordination effort relates to a cross-agency effort organized by the Texas Secretary of State that generates structured communications and data collection in conjunction with other state agencies serving colonias with their respective programs.

On a very frequent basis—weekly or more often—TDHCA provides guidance and oversight to the county governments with which TDHCA has executed a SHC contract. Somewhat less often, TDHCA provides guidance and technical assistance to the housing subgrantees with whom each respective county has contracted to achieve specific deliverables per their individualized SHC subcontract. Every one to two years, TDHCA organizes and implements a workshop for all eligible counties and their subgrantees to review rules, best practices, and exchange other program updates. Periodically, TDHCA convenes a meeting with C-RAC. This grass-roots-style committee approves contracts, evaluates county recommendations, and provides TDHCA and the counties guidance on programming and activities in the

colonias. Lastly, approximately every two years, TDHCA updates its SHC Program rules, and initiates this process by first soliciting comment from the public at large for critiques of the current rules and suggestions for changes.

As a part of the process discussed above, TDA met with elected officials from counties serving colonia areas. The local leaders discussed funding priorities for the Community Development Fund, including projects that could serve colonia areas.

On a quarterly basis, TDHCA and TDA convene with several other state agencies that directly serve colonia residents in the areas of utilities infrastructure, transportation infrastructure, water/water water, health services, housing, and consumer issues. This group is called the Colonia Interagency Infrastructure Coordination Work Group and is organized by the Texas Office of the Secretary of State's Colonia Initiatives Program. This group has been meeting regularly since approximately 2007 when Texas passed legislation requiring the systematic identification and classification of Texas colonias, and the tracking of colonia-serving state-funded projects. The overarching goal of the workgroup is to stop the proliferation of colonias and improve the health, safety, and quality of life for colonia residents in the Texas-Mexico border region. By classifying colonias based on their level of infrastructure and access to public health services, various state agencies, and the Texas Legislature are able to prioritize funding and target colonias with critical needs (Texas Office of the Secretary of State, 2010). Besides TDHCA and TDA, other agency members of this work group include the Texas Water Development Board ("TWDB"), the Texas Commission on Environmental Quality, the Texas Department of Transportation, HHSC, and DSHS.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Non-targeted/broad community	The State held a public hearing on November 12, 2015 to receive comments on the 2016 OYAP. Three individuals attended and no public comment was provided.	No public comments were received at the public hearing.		
2	Internet Outreach	Non-targeted/broad community	TDHCA has a centralized webpage for public comment on all plans, reports, and program rules.	All public comments and reasoned responses are provided in the Public Comment Attachment.		http://www.tdhca.state.tx.us/public-comment.htm
3	Public Meeting	Non-targeted/broad community	Rural Health and Economic Development Advisory Council met Sept. 16, 2015 and discussed draft Method of Distribution for CDBG	Public and Advisory Council discussed proposed changes.		

Table 13 – Citizen Participation Outreach

Expected Resources

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

Introduction

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

- 4% HTC/PAB Program;
- 9% HTC Program;
- Homeless and Housing Services Program (“HHSP”);
- Housing Trust Fund Program;
- Mortgage Credit Certificate (“MCC”) Program;
- First time homebuyer loan programs, including the My First Texas Home Program;
- Neighborhood Stabilization Program - Program Income (“NSP PI”);
- Section 8 Housing Choice Voucher (“HCV”) Program;
- Section 811 Project Rental Assistance (“PRA”) Program; and
- Tax Credit Assistance Program (“TCAP”) Loan Repayments.

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

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

TDHCA is the lead agency for the following workgroups:

C-RAC: C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board. It advises TDHCA regarding the needs of colonia residents and the types of programs and activities which should

be undertaken by the Colonia SHCs. The Colonia SHCs funds are provided to seven specific pre-determined counties which, in turn, procure organizations to operate their SHCs.

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

Housing and Health Services Coordination Council (“HHSCC”): HHSCC is established by Texas Government Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing and focusing on other cross-agency efforts.

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

Weatherization Assistance Program Planning Advisory Committee (“WAP PAC”): The WAP PAC is comprised of a broad representation of organizations and agencies and provides balance and background related to the weatherization and energy conservation programs at TDHCA.

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

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	53,849,803	6,300,000	13,000,000	73,149,803	269,249,015	TDA's CDBG Program funds community and economic development, including program income collected by the state, and program income retained by local subgrantees, excluding the colonia set-aside. Communities may also coordinate CDBG funding with U.S. Department of Agriculture's ("USDA") Rural Development funds or Texas Water Development Board's ("TWDB") State Revolving Fund.
CDBG Colonias Set-aside	public - federal	Acquisition Admin and Planning Homebuyer assistance Homeowner rehab Public Improvements Public Services	5,983,312	0	0	5,983,312	29,916,560	The Colonia Set-Aside is used both by TDA and TDHCA for goals described in the Strategic Plan Section 45. The Colonia Economically Distressed Areas Program ("CEDAP") Legislative Set - Aside leverages funding from the TWDB's Economically Distressed Areas Program. TDHCA's Office of Colonia Initiatives ("OCI") administers a portion of the CDBG Colonia Set-Aside through its Colonia SHCs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	21,575,627	8,000,000	0	29,575,627	88,726,881	TDHCA's HOME Program goals are described in the Strategic Plan Section 45 for multifamily and single family activities. Single family HOME homebuyer activity may be coordinated with TDHCA's My First Texas Home Program, which can supplement down payment assistance, and the MCC Program, which provides a yearly tax credit of up to \$2,000 annually that reduced the homebuyers' federal income tax liability. HOME Multifamily Development funds can be layered with 4% HTCs and 9% HTCs. In addition, TDHCA's Section 811 PRA, a project-based supportive housing program for persons with disabilities, and TDHCA's Section 8 HCV may be used within HOME developments. Starting in 2015, TDHCA's TCAP loan repayments and NSP PI may be used to supplement or support multifamily and single-family HOME. TDHCA develops rules that govern all HOME activities, including the Uniform Multifamily Rules, Single Family Umbrella Rule, Single Family HOME Program Rule, and other rules that are administrative in nature found under 10 Texas Administrative Code.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	2,947,262	0	0	2,947,262	8,841,786	DSHS' HOPWA state formula funds the following activities: TBRA; STRMU; PHP; and Supportive Services. Project Sponsors leverage available funds from Ryan White and State Services grants to assist clients with housing needs, medical and non-medical case management, emergency utility assistance, mental health, transportation, and nutritional services to address the needs of eligible clients.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	8,891,395	0	0	8,891,395	35,565,580	TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems ("HMIS") activities. HHSP is Texas state general revenue funding for the largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. Use of funds also includes Administration.

Table 14 - Expected Resources – Priority Table

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

HOME

HOME multifamily development is often used to leverage with the HTC Program, which authorizes 9% low-income housing tax credits of \$2.30 per capita for each state, and 4% low-income housing tax credits in amounts linked to the usage of the state's cap for issuance of tax exempt bonds to finance affordable housing development. In Texas, this equates to approximately \$61,400,000 in 9% tax credits available to be awarded by TDHCA annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of \$610,000,000. The credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 92% and 95%. TDHCA's Qualified Allocation Plan ("QAP") identifies the criteria used for selection of eligible developments to provide housing for low-income tenants. HOME provides increased leverage, allowing property owners to utilize fewer tax credits and less private debt and local funding, thus providing more efficient use of resources. Other leveraging sources may include United States Department of Agriculture ("USDA") operating subsidies and loans, and conventional and FHA-insured loans. Match requirements for the HOME Multifamily Development Program will in part be met through Rules that establish awardees' minimum amount of match as 5% of the award amount. TDHCA increased match requirements for single family activities to more effectively use limited funding. TDHCA has also requested for HUD to approve a waiver that its state-funded Bootstrap program be eligible as match and is responding to HUD requests for additional detail.

ESG

In 2011, the Texas Legislature created the HHSP statute and funded it with General Revenue funds. Through HHSP, the State allocates funds to cities in Texas with a population of 285,500 or greater to support services to homeless individuals and families. These funds are sometimes used as match for either State or local ESG funding. To meet the ESG match requirement, TDHCA includes the provision of evidence of proposed match as part of the application process. Subrecipients are required to match 100% of their ESG award in the same budget categories for which the Subrecipient was funded. A Subrecipient that is unable to match the award is eligible to apply to TDHCA for a match waiver up to \$100,000. However, these requests have been quite rare. In the FFY 2015 application process, TDHCA received no requests and will continue to actively determine which organization(s) will benefit from the match waiver.

HOPWA

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

CDBG

Nearly 80% of TX CDBG grants include local match fund commitments. Matching funds are required for certain grants, while other grants award points to encourage local match; a sliding scale allows smaller communities to contribute less match funding than larger communities. Match funds may be provided by the applicant, or by a water or sewer utility benefiting from the project. Economic development (ED) projects benefiting private business require 1-for-1 match commitment, with the business most often providing this substantial match. Recent updates to the Colonia SHC Program rules have capped program assistance at \$50,000 per household for reconstruction and new construction, and \$40,000 per household for rehabilitation. These limits encourage administrators to leverage funds with other resources as well as assist more households than in prior years.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The Texas General Land Office manages state owned lands and mineral rights totaling approximately 13 million acres. Much of this is leased for the benefit of the Permanent School Fund, an endowment fund established in 1876 for the benefit of Texas public school education. There is currently no plan to use state owned land for affordable housing or community development goals; however, local jurisdictions occasionally donate land or property in support of activities designed to address the needs identified in the plan as part of their contribution to locally administered programs.

Discussion

HOPWA: Continuing with the discussion of collaboration begun in the Introduction of this section, DSHS is the lead for several HIV-related councils and workgroups which provide opportunities for collaboration and resource sharing across agencies, providers, and other pertinent stakeholders to assist PLWH in Texas. Some of the initiatives are Inter-Agency Council on HIV & Hepatitis, the Texas Black Women's Initiative, the Test Texas Coalition, and the Texas HIV Syndicate. The Texas HIV Syndicate is an integrated HIV prevention and care planning body made up of roughly 100 organizational leaders representing the full continuum of HIV engagement. The Texas HIV Syndicate uses the Texas HIV Plan as a framework to develop strategies that enhance and expand on prevention and care activities across the State. Texas HIV Syndicate members develop policy recommendations, best practice models, coordination strategies, and promote innovation in HIV prevention and treatment. DSHS also holds a biennial HIV/Sexually Transmitted Disease ("STD") conference, attended by all DSHS contractors and subrecipients in addition to community leaders, health and HIV professionals, and many other essential stakeholders. Many of the DSHS contractors are also HOPWA providers. The next conference will be held in 2016. The goal of the Texas HIV/STD Conference is to enhance the responsiveness of people and systems supporting the spectrum of HIV/STD prevention and treatment services in Texas, including: Awareness; Targeted Prevention; Diagnosis; Linkage to Care; Maintenance in Care; and Suppression of Disease.

DSHS' Epidemiology and Surveillance Branch is responsible for reporting HIV/AIDS, STD, and tuberculosis ("TB") surveillance and epidemiologic data for the State of Texas, which includes data submission to the Centers for Disease Control and Prevention ("CDC"). This data is subsequently used by HUD to determine HOPWA formula allocations. This data is also leveraged to provide support to planning, development, implementation, and evaluation of HIV/AIDS, STD, and TB prevention and services programs, including HOPWA.

Finally, TDA participates in the following workgroups:

Texas Water Infrastructure Coordination Committee ("TWICC"): TWICC is a voluntary organization of federal and state funding agencies and technical assistance providers that address water and wastewater needs throughout the State. TDA participates in TWICC to coordinate efforts to leverage funds.

Secretary of State's Colonia Workgroup: The Colonia Workgroup consists of federal and state funding agencies and the Texas Secretary of State's colonia ombudsmen. The group addresses current and future infrastructure improvements in colonias, focusing on coordination of resources and information. TDHCA is also a member of this workgroup.

Drought Preparedness Council: The Council was authorized and established by the 76th Texas Legislature in 1999, and is responsible for assessment and public reporting of drought monitoring and water supply conditions, along with other duties.

These workgroups, committees, and councils help to strengthen communication between state agencies as well as provide opportunities to layer or combine funding sources.

With the block grants and the layering resources listed above, there are also CDBG Disaster Recovery ("DR") funds for Hurricanes Rita, Dolly, and Ike, and Wildfires. Hurricane Rita Disaster Recovery for housing and non-housing recovery is in 29 counties. Ike Disaster Recovery for housing and non-housing recovery is in 62 counties. Wildfire Recovery non-housing recovery is in 65 counties. More details can be found at <http://www.glo.texas.gov/GLO/disaster-recovery/actionplans>

Annual Goals and Objectives

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Goals	2015	2016	Homeless	State of Texas	Emergency shelter and transitional housing Rapid Re-housing Homelessness Prevention	ESG: \$8,564,737	Tenant-based rental assistance / Rapid Rehousing: 4740 Households Assisted Homeless Person Overnight Shelter: 11500 Persons Assisted Homelessness Prevention: 6475 Persons Assisted
2	Construction of single family housing	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units	HOME: \$0	Homeowner Housing Added: 0 Household Housing Unit
3	Rehabilitation of single family housing	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rehabilitation of housing	HOME: \$4,906,688	Homeowner Housing Rehabilitated: 58 Household Housing Unit
4	Homebuyer assistance with possible rehabilitation	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rehabilitation of housing Acquisition of existing units	HOME: \$3,269,012	Direct Financial Assistance to Homebuyers: 54 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Tenant-Based Rental Assistance with HOME funding	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance	HOME: \$3,997,269	Tenant-based rental assistance / Rapid Rehousing: 363 Households Assisted
6	Households in new/rehabilitated multifamily units	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units Rehabilitation of housing	HOME: \$17,145,095	Rental units constructed: 120 Household Housing Unit Rental units rehabilitated: 52 Household Housing Unit
7	HOPWA Tenant-Based Rental Assistance	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$1,853,534	Tenant-based rental assistance / Rapid Rehousing: 448 Households Assisted
8	HOPWA Short-Term Rent, Mortgage, & Utilities Asst	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$366,034	Homelessness Prevention: 426 Persons Assisted
9	HOPWA Permanent Housing Placement Assistance	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$7,055	Public service activities other than Low/Moderate Income Housing Benefit: 16 Persons Assisted
10	HOPWA-Funded Supportive Services	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$463,493	Public service activities other than Low/Moderate Income Housing Benefit: 823 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	CDBG Other Construction	2015	2019	Non-Housing Community Development	State of Texas	Public facilities Public Improvements and Infrastructure Public services	CDBG: \$38,789,808	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 227843 Persons Assisted
12	CDBG Economic Development	2015	2019	Non-Housing Community Development Economic Development	State of Texas	Public facilities Public Improvements and Infrastructure Public services Economic development	CDBG: \$11,181,714	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 14122 Persons Assisted
13	CDBG Planning / Capacity Building	2015	2019	Non-Housing Community Development	State of Texas	Public facilities Public Improvements and Infrastructure Public services	CDBG: \$540,640	Other: 37412 Other
14	CDBG Disaster Relief / Urgent Need	2015	2019	Non-Housing Community Development	State of Texas	Public facilities Public Improvements and Infrastructure	CDBG: \$2,446,820	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 132248 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
15	CDBG Colonia Set-Aside	2015	2019	Affordable Housing Non-Housing Community Development	State of Texas	Production of new units Rehabilitation of housing Acquisition of existing units Public facilities Public Improvements and Infrastructure Public services	CDBG Colonias Set-aside: \$5,983,312	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 3348 Persons Assisted
16	CDBG Colonia Self-Help Centers	2015	2019	Self-Help Centers	State of Texas	Public services	CDBG: \$1,495,828	Other: 14491 Other
17	CDBG Administration	2015	2015	Administration/Technical Assistance	State of Texas	Rehabilitation of housing Public facilities Public Improvements and Infrastructure Public services Economic development	CDBG: \$1,894,993	Other: 0 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
18	HOME Administration	2015	2015	HOME Administration	State of Texas	Rental Assistance Production of new units Rehabilitation of housing Acquisition of existing units	HOME: \$3,257,563	Other: 0 Other

Table 15 – Goals Summary

Goal Descriptions

1	Goal Name	Homeless Goals
	Goal Description	Goals for the 2016 ESG program are to provide 11,500 homeless persons with emergency shelter, 4740 households with emergency housing assistance through rapid re-housing, and 6,475 persons will be provided with housing assistance, including homelessness prevention assistance. This translates into funding of approximately 43% for rapid re-housing; 36% for homelessness prevention; and 21% for emergency shelters. The funding targets and numbers served may fluctuate depending on the final HUD allocation. The amounts targeted for each ESG activity will be dependent on the final HUD allocation and the percentages (as limited by federal rules) will depend on local CoC or subrecipient decisions.
2	Goal Name	Construction of single family housing
	Goal Description	TDHCA does not plan to have a 2016 HOME Program goal for single family development activities performed by a Community Housing Development Organization ("CHDO") for the construction of new single family housing. The original 2015 goal of providing assistance to a minimum of 7 eligible households was reduced based on HUD's final allocation amounts. PY 2016 CHDO set aside funding is initially targeted for multifamily development activities as reflected under the Households in new/rehabilitated multifamily units strategic plan goal, but may be revised to program some funding for Single Family Development activities if TDHCA identifies future interest in the program. Single family development activities will remain an eligible activity that may be funded in the event future CHDO funding becomes available.

3	Goal Name	Rehabilitation of single family housing
	Goal Description	The 2015 goal for HOME Program rehabilitation and reconstruction activities is to provide assistance to a minimum of 58 households through a statewide network of units of general local governments, and non-profit organizations. These entities qualify applicants to receive assistance for the repairs necessary to make their homes decent, safe, sanitary, and accessible.
4	Goal Name	Homebuyer assistance with possible rehabilitation
	Goal Description	The 2016 goals for HOME Program acquisition activities is to provide assistance to a minimum of 54 households with downpayment and closing costs assistance, contract for deed conversion assistance to promote the conversion of contract for deed arrangements to traditional mortgages, as well as downpayment with possible rehabilitation assistance for households with a member with a disability.
5	Goal Name	Tenant-Based Rental Assistance with HOME funding
	Goal Description	The 2016 goal for HOME Program TBRA activity is to provide rental assistance to approximately 363 households through a statewide network of units of general local governments, public housing agencies, Local Mental Health Authorities ("LMHAs"), and other non-profit organizations. These entities qualify applicants to receive assistance and may extend assistance if the household continues to meet eligibility requirements.
6	Goal Name	Households in new/rehabilitated multifamily units
	Goal Description	The 2016 goal for HOME Multifamily Program is creating/rehabilitating over 172 multifamily rental units. TDHCA's HOME Multifamily Development Programs awards HOME funds as low-interest loans to CHDOs, for-profit, and nonprofit developers. These loans leverage other public and private financing including housing tax credits, United States Department of Agriculture ("USDA") operating subsidies and loans, and conventional and Federal Housing Administration-insured loans. The end result is safe, decent, and affordable multifamily rental housing.
7	Goal Name	HOPWA Tenant-Based Rental Assistance
	Goal Description	HOPWA TBRA provides tenant-based rental assistance to eligible households until they are able to secure other affordable and stable housing. The annual goal includes 448 households assisted. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.

8	Goal Name	HOPWA Short-Term Rent, Mortgage, & Utilities Asst
	Goal Description	STRMU provides short-term rent, mortgage, and utility assistance to eligible households for a maximum of 21 weeks of assistance in a 52-week period. The annual goal is to assist 426 persons. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
9	Goal Name	HOPWA Permanent Housing Placement Assistance
	Goal Description	PHP provides assistance for housing placement costs which may include application fees, related credit checks, and reasonable security deposits necessary to move persons into permanent housing. The annual goal is to assist 16 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
10	Goal Name	HOPWA-Funded Supportive Services
	Goal Description	Supportive Services include case management, basic telephone service and assistance to purchase smoke detectors to eligible households. The annual goal is to assist 823 persons. The estimated funding and number of households served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
11	Goal Name	CDBG Other Construction
	Goal Description	The Texas CDBG encourages the use of funds not only to improve existing locations but to provide facilities in other areas to accommodate residential opportunities that will benefit low and moderate income persons. Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for low and moderate income persons. When considering projects and designing projects, applicants must continue to consider affirmatively furthering fair housing, which includes providing basic infrastructure, such as water, sewer, and roads that benefit residential housing and other housing activities. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal includes 227,843 persons assisted. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.

12	Goal Name	CDBG Economic Development
	Goal Description	This economic development funding is used for projects that will create or retain permanent employment opportunities, primarily for low to moderate income persons and for county economic and management development activities. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is to assist 14,122 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
13	Goal Name	CDBG Planning / Capacity Building
	Goal Description	This fund is available to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs). Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is 37,412 persons benefiting from community planning projects (this may show as "other" in the chart above"). The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
14	Goal Name	CDBG Disaster Relief / Urgent Need
	Goal Description	Disaster Relief ("DR") assistance is available through this fund as needed for eligible activities in relief of disaster situations where either the governor has proclaimed a state disaster declaration, drought disaster declaration, or the president has issued a federal disaster declaration. CDBG may prioritize throughout the program year the use of DR assistance funds based on the type of assistance or activity under consideration and may allocate funding throughout the program year based on assistance categories. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is to assist 132,248 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
15	Goal Name	CDBG Colonia Set-Aside
	Goal Description	This fund is available to eligible county applicants for projects in severely distressed unincorporated areas which meet the definition of a "colonia" under this fund. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is to assist 3,348 benefiting from public facility or infrastructure activities (other than low/moderate income housing benefit) and 14,491 "other", which equates to the number of colonia residents receiving direct assistance. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.

16	Goal Name	CDBG Colonia Self-Help Centers
	Goal Description	Colonia residents receiving direct assistance through Self-Help centers.
17	Goal Name	CDBG Administration
	Goal Description	CDBG Administrative costs including Technical Assistance
18	Goal Name	HOME Administration
	Goal Description	HOME Administrative expenses based on HOME allocation and projected program income.

Table 16 – Goal Descriptions

AP-25 Allocation Priorities – 91.320(d)

Introduction

The CPD Programs serve special needs populations and meet the 13 Priority Needs found in Strategic Plan 25 of the 2015-2019 Consolidated Plan. The Priority Needs in Strategic Plan 25 are correlated with Goals in Action Plan 20 to show which activities will serve which priority needs. The goals from Action Plan 20 are listed below with allocation percentages below each goal. Percentages in the chart below are estimated and may change depending on funding received from HUD, legislative priorities, and funding requests from administrators or subrecipients.

Also regarding the chart below, for the other programs listed in the anticipated resources (Action Plan Section 15) that could be used to leverage funds, including 4% HTC, 9% HTC, HHSP, Housing Trust Fund, MCC, and My First Texas Home Program, NSP PI, Section 8 HCV programs, Section 811 PRA, and TCAP Loan Repayments, goals are tailored to each program in the planning documents governing those programs. These documents can be found online at <http://www.tdhca.state.tx.us>. In addition to meeting the priority needs, the CPD Program works to serve special needs populations as described in this section. HOME and ESG's special needs populations are discussed in the introduction, and HOPWA and CDBG are included in the discussion below.

HOME Serves Special Needs

TDHCA has determined that programs may target assistance to the following special needs populations: persons with disabilities, persons with alcohol or other drug addiction, persons living with HIV/AIDS (PLWH), persons with Violence Against Woman Act ("VAWA") protections (e.g., domestic violence, dating violence, sexual assault, or stalking), colonia residents, farmworkers, homeless populations, veterans, wounded warriors (as defined by the Caring for Wounded Warriors Act of 2008), and public housing residents. Preferences may also include programs designed to assist single parents, persons transitioning out of incarceration, and persons transitioning out of foster homes and nursing facilities.

For Administrators who have programs that are designed to limit assistance to certain populations, TDHCA will only approve program designs that limit assistance to households that include a member within the following populations if necessary to provide as effective housing, aid, benefit, or services as those provided to others in accordance with 24 CFR §8.4(b)(1)(iv): PLWH, mental illness, alcohol or other drug addiction, or households that would qualify under the TDHCA's Project Access program as defined in 10 TAC §5.801. Otherwise, Administrators may only give preference to populations described in the special needs section.

For rental housing, TDHCA will allow development of housing that meets requirements under the Housing for Older Persons Act. TDHCA may also consider permitting rental housing owners to give a preference or limitation as indicated in this section and may allow a preference or limitation that is not described in this section to encourage leveraging of federal or state funding, provided that another federal or state funding source for the rental housing requires a limitation or preference. TDHCA may put further guidelines on development of specific types of rental housing by rule or NOFA.

ESG Serves Special Needs

ESG does not have funding allocation priorities for special needs populations. However, in recent years the ESG Notice of Funding Availability ("NOFA") application scoring process provided up to 4% of the points eligible to be awarded for applicants proposing to serve persons with higher barriers (e.g., persons with serious mental illness, or persons recently released from an institution, or persons with substance-use disorder). The State ESG program typically funds a number of programs serving victims of domestic violence because those applications have scored well.

Funding Allocation Priorities

	Homeless Goals (%)	Construction of single family housing (%)	Rehabilitation of single family housing (%)	Homebuyer assistance with possible rehabilitation (%)	Tenant-Based Rental Assistance with HOME funding (%)	Households in new/rehabilitated multifamily units (%)	HOPWA Tenant-Based Rental Assistance (%)	HOPWA Short-Term Rent, Mortgage, & Utilities Asst (%)	HOPWA Permanent Housing Placement Assistance (%)	HOPWA-Funded Supportive Services (%)	CDBG Other Construction (%)	CDBG Economic Development (%)	CDBG Planning / Capacity Building (%)	CDBG Disaster Relief / Urgent Need (%)	CDBG Colonia Set-Aside (%)	CDBG Colonia Self-Help Centers (%)	CDBG Administration (%)	HOME Administration (%)	Colonias Set-Aside (%)	Total (%)
CDBG	0	0	0	0	0	0	0	0	0	0	63	15	1	5	10	3	3	0	0	100
CDBG Colonias Set-aside	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	100
HOME	0	0	17	11	14	58	0	0	0	0	0	0	0	0	0	0	0	0	0	100
HOPWA	0	0	0	0	0	0	69	14	1	16	0	0	0	0	0	0	0	0	0	100
ESG	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100

Table 17 – Funding Allocation Priorities

Reason for Allocation Priorities

HOME Allocation Priorities

TDHCA prioritizes HOME funding for multifamily, single-family, and Set-Aside activities. Multifamily activities were historically allocated a higher percent of funds to address the priority needs of Rental Assistance and Production of New Units, promote tax credit leveraging, and because they account for a large portion of HOME's program income. However, TDHCA now has access to TCAP Loan Repayments, so these priorities will continue to have funds directed toward them, while reducing the allocation of HOME funds directed towards multifamily activities.

Although the 2015 HOME allocation to TDHCA was reduced from 2014 funding levels, funding for single family activities actually increased overall as TDHCA begins to access TCAP loan repayments for multifamily activities and by directing deobligated funding and program income resources to single family activities. Funding for single family activities from the 2016 annual allocation is anticipated to be awarded based on TDHCA's Regional Allocation Formula, with residual funding available through the Reservation System, allowing local administrators to prioritize single family activities on a household-by-household basis for:

- Homebuyer Assistance, (including contract-for-deed conversions) which addresses Acquisition of Existing Units and Rehabilitation of Existing Units priority needs;
- Homeowner Rehabilitation Assistance, which addresses Rehabilitation of Existing Units priority need; and
- TBRA, which addresses Rental Assistance priority need.

These priorities are a result of the consolidated planning process and significant public input.

ESG Allocation Priorities

ESG does not have allocation priorities for priority needs. ESG funds can be utilized for all eligible purposes within limitations set by ESG regulations and guided by local Continuum of Care ("CoC") direction, including:

- Homeless outreach;
- Emergency shelter;
- Rapid re-housing; and
- Homelessness prevention.

HOPWA Allocation Priorities

HOPWA provides the following activities in line with priority needs:

- TBRA, which addresses Rental Assistance priority needs;
- STRMU, which addresses Homelessness Prevention priority needs;
- Supportive Services Program, which addresses Supportive Services for PLWH priority needs; and
- PHP, which addresses Homelessness Prevention priority needs.

CDBG Allocation Priorities

The CDBG Program offers the following activities, which relate to the corresponding priority needs. The majority of CDBG funds are used to meet basic human needs. These projects, in addition to being among the most critical needs in the state, are prioritized locally by regional review committees and local communities. Colonia funding allocation is reflected in "Colonias Set-Aside" column.

- The majority of funds are awarded to address basic human needs, including improvements to water and sewer systems and roads for low and moderate income ("LMI") communities.
- Economic development activities are funded to create and retain jobs primarily for LMI persons.
- Public facilities such as community centers and public safety facilities are less common activities, but are very valuable to LMI communities.
- Colonias SHC activities provide public services and housing funds for colonia residents living along the Texas-Mexico border.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

The special needs populations for HOME and ESG are described in the Introduction. HOPWA and CDBG discuss special needs populations below.

HOPWA Serves Special Needs

Texas HOPWA serves PLWH and their family members, all of whom are at or below 80% of the AMI, and most of whom fall into the extremely-low-income category. As previously noted, allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. After allocations to each HIV Service Delivery Area (HSDA) are determined, it is then up to the Project Sponsor to allocate between activities of TBRA, STRMU, PHP, Supportive Services, and administrative expenses (not to exceed 7% of their allocation) and submit those to their Administrative Agents (AAs) and the Department of State Health Services (DSHS) for approval. Project Sponsors base allocations on many factors, including but not limited to, number of clients projected to continue into the next year, area unmet need, rental costs, prior number of clients served, average expenditures per client, and changes in HIV population living in poverty, etc. Funds are also reallocated during the year

within HSDAs under each AA as needed.

CDBG Serves Special Needs

CDBG provides over 90% of available funds for projects that primarily benefit low-to moderate-income persons through basic infrastructure, housing, job creation and other activities as identified at the local level. Among those projects, CDBG sets aside 12.5% of funds to specifically benefit colonia residents through planning activities, infrastructure and housing construction, self-help center services, construction activities, and public services. Funding for community development projects in colonias and other LMI communities is a critical element in the well-being of these communities.

In 1996, in an effort to place more emphasis on addressing the needs of colonias, the OCI at TDCHA was created and charged with the responsibility of coordinating all TDHCA's and legislative initiatives involving border and colonia issues and managing a portion of TDHCA's existing programs targeted at colonias. The fundamental goal of the OCI is to improve the living conditions and lives of border and colonia residents and to educate the public regarding the services that the Department has to offer. As part of its plan to improve the living conditions in colonias, the OCI offers Border Field Offices. The three OCI Border Field Offices are located in Pharr, Laredo, and El Paso to provide technical assistance to border counties, Colonia SHCs, and Bootstrap Program participants.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

Given that Texas is the second largest state in the nation by total area, the method of distribution of its funds has to take into account a very large area. To reach many areas of the State, the CPD Programs fund subrecipients to administer the funding. The selection processes for these entities are described below.

Distribution Methods

Table 18 - Distribution Methods by State Program

1	State Program Name:	Colonias Set-Aside: Colonia Economically Distressed Areas Program Legislative Set-Aside
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	Colonia Economically Distressed Areas Program ("CEDAP") Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>The TDA will evaluate the following factors prior to awarding CEDAP funds:</p> <ul style="list-style-type: none"> • The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program; • The ability of the applicant to utilize the grant funds in a timely manner; • The availability of funds to the applicant for project financing from other sources; • The applicant's past performance on previously awarded CDBG contracts; • Cost per beneficiary; and • Proximity of project site to entitlement cities or metropolitan statistical areas ("MSAs").

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
	Describe how resources will be allocated among funding categories.	The allocation is distributed on an as-needed basis.
	Describe threshold factors and grant size limits.	Maximum \$1,000,000/Minimum \$75,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
2	State Program Name:	Colonias Set-Aside: Colonia Planning and Construction Funds
	Funding Sources:	CDBG CDBG Colonias Set-aside

	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Colonia Planning Fund ("CPF") funds planning activities that either targets a specific colonia(s) (Colonia Area Planning) or that provides a countywide comprehensive plan (Colonia Comprehensive Planning). In order to qualify for the Colonia Area Planning activities, the county applicant must have completed a Colonia Comprehensive Plan that prioritizes problems and colonias for future action. The targeted colonia must be included in the Colonia Comprehensive Plan.</p> <p>The goal of the Colonia Fund Construction ("CFC") fund is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons residing within a community or area that meets the definition of a colonia. An eligible county applicant may submit an application for the following eligible construction activities:</p> <p>Assessments for Public Improvements - The payment of assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low and moderate income to recover the capital cost for a public improvement.</p> <p>Other Improvements - Other activities eligible under 42 USC Section 5305 designed to meet the needs of colonia residents.</p>
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	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Colonia Fund: Construction. The selection criteria for the Colonia Fund: Construction will focus upon the following factors: community distress; percentage of people living in poverty; per capita income; percentage of housing units without complete plumbing; unemployment rate; benefit to LMI persons; project priorities; project design; matching funds; and past performance.</p> <p>Colonia Fund: Planning (Area). The selection criteria for the Colonia Fund: Planning will focus upon the following factors: community distress; percentage of people living in poverty; per capita income; percentage of housing units without complete plumbing; unemployment rate; project design; the severity of need within the colonia area(s) and how clearly the proposed planning effort will remove barriers to the provision of public facilities to the colonia area(s) and result in the development of an implementable strategy to resolve the identified needs; the planning activities proposed in the application; whether each proposed planning activity will be conducted on a colonia-wide basis; the extent to which any previous planning efforts for colonia area(s) have been accomplished; the CDBG cost per LMI beneficiary; the availability of funds to the applicant for project financing from other sources; the applicant's past performance on previously awarded CDBG contracts; benefit to LMI persons; and matching funds.</p> <p>Colonia Fund: Planning (Comprehensive). The selection criteria for the Colonia Fund: Planning will focus upon the following factors: community distress; percentage of people living in poverty; per capita income; percentage of housing units without complete plumbing; unemployment rate; project design; the severity of need for the comprehensive colonia planning effort and how effectively the proposed comprehensive planning effort will result in a useful assessment of colonia populations, locations, infrastructure conditions, housing conditions, and the development of short-term and long term strategies to resolve the identified needs; the extent to which any previous planning efforts for colonia area(s) have been accomplished; whether the applicant has provided any local matching funds for the planning or preliminary engineering activities; the applicant's past performance on previously awarded CDBG contracts; and award history (an applicant that has previously received a CDBG comprehensive planning award would receive lower priority for funding).</p>
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	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
	Describe how resources will be allocated among funding categories.	The State CDBG allocation 6.75% (approximately) is allocated to the Colonia Fund. Of the yearly CDBG allocation to the Colonia Construction and Planning Fund, 97.5% (approximately) of those funds are to award grants through the CFC and 2.5% (approximately) are to award grants through the CFP. Subsequent to awarding funds, any portion of the CFC allocation that is unable to be awarded (i.e., fund an application in the minimum amount of \$75,000, etc.) may be used to fund additional eligible CFP applications, and conversely, any portion of the CFP allocation that is unable to be awarded may be used to fund additional eligible CFC applications.
	Describe threshold factors and grant size limits.	CFP Maximum \$100,000/Minimum \$0 CFC Maximum \$500,000/Minimum \$75,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
3	State Program Name:	Colonias Set-Aside: Colonia SHC Legislative Set-Aside (administered by TDHCA)
	Funding Sources:	CDBG CDBG Colonias Set-aside

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Administered by TDHCA and funded through CDBG, the Colonia SHC Program serves colonias along the Texas-Mexico border. 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. Key services include: housing rehabilitation; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; infrastructure construction and access; contract-for-deed conversions; and capital access for mortgages.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Approximately 42,000 residents live in the targeted colonias served by the colonia SHC Program. The SHCs process applications from income eligible households on a first come, first served basis. Eligible households must reside in one of the targeted colonias, which have been preselected by each recipient and county and confirmed by C-RAC. Households must earn less than 80% of AMI.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Colonia SHCs are limited statutorily and serve seven targeted colonias within their associated participating county. The SHCs and TDHCA's Border Field Offices both conduct outreach activities throughout the contract period to inform colonia residents of program benefits and eligibility criteria and to provide application assistance.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Of the State CDBG allocation, 2.5% (approximately) is allocated to this fund. Counties that are statutorily designated to participate in the Colonia SHC Program propose which target colonias should receive concentrated attention and through what scope of program activities and funding. Each SHC designs a proposal unique to the needs of a specific community and based on a needs assessment. After a C-RAC, composed of residents from previously participating colonias, reviews and approves the proposals from the counties, the proposals are then reviewed and approved by the TDHCA's Board of Directors for implementation. Resources are allocated based on analysis and input from each community.</p>

	<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$1,000,000/Minimum \$500,000</p> <p>For the colonia SHC, program rules limit the assistance to up to \$1,000,000 per colonia SHC per contract period. Each program activity, such as new construction, rehabilitation, and small repairs for housing, for example, are limited to specific dollar amounts.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>For the Colonia SHC Program, outcomes include: colonia residents assisted, housing units assisted or created, instances of technical assistance provided, and instances of information delivered. In general, this is Activities Benefiting LMI Persons.</p>
<p>4</p>	<p>State Program Name:</p>	<p>Colonias Set-Aside: Colonias to Cities Initiative Program</p>
	<p>Funding Sources:</p>	<p>CDBG CDBG Colonias Set-aside</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Colonia to Cities Initiative ("CCIP") provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding. Both the county and city must submit a multi-jurisdictional pre-application for the project that includes a resolution from each jurisdiction. The city's resolution must include a firm commitment to annex the colonia upon completion of the project. Failure to annex the colonia may result in a requirement to repay the CDBG funding to TDA.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The TDA will evaluate the following factors prior to awarding CCIP funds:</p> <ul style="list-style-type: none"> • the proposed use of the TxCDBG funds including the eligibility of the proposed activities; • the ability of the community to utilize the grant funds in a timely manner; • the availability of funds to the community for project financing from other sources; • the community's past performance on previously awarded TxCDBG contracts, if applicable; • cost per beneficiary; and • commitment by the city to annex the colonia area within one year of project completion. <p>If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component.</p>

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Eligible applicants will be notified if funds become available.
	Describe how resources will be allocated among funding categories.	If there are an insufficient number of projects ready for CEDAP funding, the CEDAP funds may be transferred to the Colonias to Cities Initiative.
	Describe threshold factors and grant size limits.	Minimum \$100,000/Maximum \$1,000,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
5	State Program Name:	Community Development Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	<p>The Community Development ("CD") Fund is available on a biennial basis through a competition in each of the State's 24 planning regions. The goal of the CD Fund is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons of low to moderate income.</p> <p>Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for LMI persons. When considering and designing projects, applicants must continue to consider project activities that will affirmatively further fair housing, which includes project activities that provide basic infrastructure (such as water, sewer, and roads) that will benefit residential housing and other housing activities.</p>

	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>CD applicants are scored using a shared system with 90% of the scoring criteria established by Regional Review Committees ("RRC") and 10% established by the state's scoring criteria. There is a Regional Review Committee in each of the 24 State planning regions. Each RRC will be comprised of 12 members appointed at the pleasure of the Texas Commissioner of Agriculture. A quorum of seven members is required for all public hearings. Each RRC is responsible for determining local project priorities and objective scoring criteria for its region for the CD Fund in accordance with the requirements in this Action Plan. Additionally, the RRC shall establish the numerical value of the points assigned to each scoring factor and determine the total combined points for all RRC scoring criteria. The Regional Review Committees are responsible for convening public hearings to discuss and select the objective scoring criteria that will be used to score and rank applications at the regional level. The public must be given an opportunity to comment on the priorities and the scoring criteria considered. The final selection of the scoring criteria is the responsibility of each RRC and must be consistent with the requirements in this Action Plan. The RRC may not adopt scoring factors that directly negate or offset the State's scoring factors. Each RRC shall develop a RRC Guidebook, in the format provided by TDA, to notify eligible applicants of the objective scoring criteria and other RRC procedures for the region. The Guidebook must be submitted to TDA and approved at least ninety days prior to the application deadline.</p> <p>The state scoring will be based on the following:</p> <ol style="list-style-type: none"> 1. Past selection - 4% of Maximum Possible RRC Score for each region. 2. Past Performance- 4% of Maximum Possible RRC Score for each region. 3. All project activities within the application would provide basic infrastructure or housing activities - 2% of Maximum Possible RRC Score for each region. (Basic infrastructure - the basic physical shared facilities serving a community's population consisting of water, sewage, roads and flood drainage. Housing activities - as defined in 24 Code of Federal Regulations ("CFR") Part 570.)
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	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	
	Describe how resources will be allocated among funding categories.	64.83% (approximately) of the State CDBG allocation is allocated to this fund.
	Describe threshold factors and grant size limits.	Minimum \$75,000/Maximum \$800,000, regions may establish additional grant amount limits.
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
6	State Program Name:	Community Enhancement Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Community Enhancement ("CEF") Fund provides a source of funds (when available) not available through other CDBG programs to stimulate a community's economic development efforts and improve self-sufficiency. The project must have the potential to benefit all citizens within a jurisdiction. The community project must provide a benefit that will enhance the overall quality of life in the rural community.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The selection criteria for the Community Enhancement Fund will focus on the following factors: a. LMI percentage of the applicant; b. Partnerships; c. Multi-Purpose Facility or Public Safety Equipment; d. Sustainability; and e. Match.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
	Describe how resources will be allocated among funding categories.	Deobligated funds up to \$3,000,000 are made available for the CE Fund on the first day of a program year.
	Describe threshold factors and grant size limits.	Minimum \$50,000/Maximum \$500,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
7	State Program Name:	Disaster Relief Funds
	Funding Sources:	CDBG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Disaster Relief ("DR") Fund assistance is available as needed for eligible activities in relief of disaster situations where either a state or federal disaster declaration has been issued.</p> <p>Declaration other than Drought: Priority for the use of these funds is for repair and restoration activities that meet basic human needs (such as water and sewer facilities, housing, and roads), and may not include funding to construct public facilities that did not exist prior to the occurrence of the disaster.</p> <p>Declaration for Drought: Funding in response to a Governor's drought disaster declaration covering the area that would benefit from project activities must include new facilities to improve water supply, subject to the conditions set forth in Title 4, Part 1, Chapter 30, Subchapter A of the Texas Administrative Code.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>To qualify for the DR Fund:</p> <ul style="list-style-type: none"> a. The situation addressed by the applicant must be both unanticipated and beyond the control of the local government. b. The problem being addressed must be of recent origin. For DR Fund assistance, this means that the application for assistance must be submitted no later than 12 months from the date of the state or federal disaster declaration. c. Funds will not be provided under Federal Emergency Management Agency's ("FEMA's") Hazard Mitigation Grant Program for buyout projects unless TDA receives satisfactory evidence that the property to be purchased was not constructed or purchased by the current owner after the property site location was officially mapped and included in a designated flood plain area. d. Each applicant must demonstrate that adequate local funds are not available, i.e., the entity has less than six months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, or funds from other state or federal sources are not available to completely address the problem. e. TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation. f. The distribution of these funds will be coordinated with other state agencies.

	<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>4.10% (approximately) of the State CDBG allocation is allocated to the DR Fund.</p> <p>Deobligated funds up to \$1,000,000 are made available for the DR Fund on the first day of a program year, and additional deobligated funds may be allocated to the DR Fund according to the procedures described in the Additional Detail on Method of Distribution section following this table. The amount for this fund category may be adjusted during the program year as needed.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$350,000/Minimum \$50,000</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.</p>
<p>8</p>	<p>State Program Name:</p>	<p>General HOME Funds for Single-Family Activities</p>
	<p>Funding Sources:</p>	<p>HOME</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>TDHCA awards single-family activity funds as grants and loans through a network of local administrators for Homeowner Rehabilitation, Homebuyer Assistance, and TBRA. Assistance length and term depends on the type of activity. The funds are initially being made available competitively on a regional basis, then later remaining funds are made available statewide on a first-come, first-served Reservation System, a contract-based system or some combination of these two methods. The method will be described in NOFAs and is informed by needs analysis, oversubscription for the activities, and public input.</p>

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Applicants must comply with requirements stated in NOFAs, the Single-Family Programs Umbrella Rule, and State HOME Program Rules in effect at the time they receive their award.
	Describe how resources will be allocated among funding categories.	TDHCA announces the annual allocation of HOME Single-Family funds through a NOFA and specifies that the funds will initially be made available using a Regional Allocation Formula ("RAF") which divides funds among 26 sub-regions as required by state statute. The allocation method is developed based on a formula which considers need and funding availability. After a period of several months, regional allocations collapse. Following the release of the annual allocation through the RAF, TDHCA periodically adds HOME program income and deobligated funds to the funds available via the Reservation System and either allocates a specific amount of funds per activity based on funding priorities or may allow HOME administrator's requests for funding through the system to determine how the funds are finally allocated among fund categories. TDHCA may specify the maximum amount of funds that will be released for each activity type and may allocate funds via a first come, first served Reservation System or alternate method based on public comment.
	Describe threshold factors and grant size limits.	Applicants must comply with requirements stated in the HOME NOFA and State HOME Program Rules in effect the year they receive their award. These sources provide threshold limits and grant size limits per activity type.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to LMI households.
9	State Program Name:	HOME Multifamily Development
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	The HOME Multifamily Development Program awards loans to for-profit and nonprofit multifamily developers to construct and rehabilitate affordable rental housing. These loans typically carry a 0% to 5% interest rate and have terms ranging from 15 years to 40 years. The vast majority of the loans are made in conjunction with awards of 4% or 9% HTC's.

	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>TDHCA's Uniform Multifamily Rules set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, appropriate zoning for the site, and a market and environmental study. Additionally, the development must be near certain community assets. HOME Multifamily Development Program funds are typically awarded on a first-come, first-served basis, as long as the criteria above are met. For HOME Multifamily Development applications layered with 9% HTCs, the highest scoring applications in the 9% cycle that also request HOME funds take priority over lower scoring HOME Multifamily Development applications that may have been received earlier.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>Typically, of the HOME Multifamily Funds, 85% is available for general activities and 15% for CHDO. However, the HOME Multifamily Development Program may make funds available annually under the General, Persons With Disabilities, and CHDO Set-Asides.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>TDHCA's Uniform Multifamily Rules set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. Additionally, the development must be near certain community assets such as a bank, pharmacy, or medical office and have certain unit amenities and common amenities. Awards of HOME Multifamily Development Program funds range from approximately \$300,000 to \$3 million per application in the form of a loan.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Assistance to LMI households.</p>
<p>10</p>	<p>State Program Name:</p>	<p>Local Revolving Loan Funds</p>
	<p>Funding Sources:</p>	<p>CDBG</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>TxCDBG allows communities that received Texas Capital Fund awards to support job creation or retention, and that created a local revolving loan fund, prior to implementation of the interim rule published November 12, 2015, to retain the program income generated by the economic development activities and to reinvest the funds to support job creation/retention activities.</p>

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Criteria are established by local subrecipients, with guidance from the TxCDBG Revolving Loan Fund Information Guide provided by TDA.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	The TxCDBG Revolving Loan Fund Information Guide is provided directly to subrecipients that have established revolving loan funds.
	Describe how resources will be allocated among funding categories.	Program Income generated by a local RLF is retained by that community or returned to TDA for distribution according to the Action Plan. See "Grantee Unique Appendices" for table of local revolving loan funds.
	Describe threshold factors and grant size limits.	Minimum loan amount: \$25,000. Additional parameters for minimum or maximum loan amounts may be established by the subrecipient.
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons through Job Creation/Retention
11	State Program Name:	Planning/Capacity Building Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Planning/Capacity Building ("PCB") Fund is available to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs).

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The selection criteria for the PCB Fund will focus upon the following factors: a. Community Distress; a. Percentage of persons living in poverty; b. Per capita income; c. Unemployment rate; b. Benefit to LMI Persons; c. Project Design; d. Program Priority; e. Base Match; f. Area-wide Proposals; and g. Planning Strategy and Products.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
	Describe how resources will be allocated among funding categories.	1.0% (approximately) of the State CDBG allocation is allocated to this fund.
	Describe threshold factors and grant size limits.	Minimum \$0/Maximum \$55,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
12	State Program Name:	State Mandated Contract for Deed Conversion Set-Aside
	Funding Sources:	HOME

	Describe the state program addressed by the Method of Distribution.	The 81st Legislature passed Appropriations Rider 6 to TDHCA's appropriation pattern, which requires TDHCA to spend no less than \$4 million for the biennium on contract for deed conversions for families that reside in a colonia and earn 60% or less of the applicable AMI. Furthermore, TDHCA is targeted to convert no less than 200 contracts for deed into traditional notes and deeds of trust by August 31, 2016. The intent of this program is to help colonia residents become property owners by converting their contracts for deed into traditional mortgages. Households served under this initiative must not earn more than 60% of the Area Median Family Income ("AMFI") and the home converted must be their primary residence.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Administrators must meet HOME Program threshold requirements to access funding. Funding is made available to contract for deed administrators on a first-come, first-served basis, in addition to threshold requirements outlined in the State HOME Program Rule, through the Reservation System.
	Describe how resources will be allocated among funding categories.	TDHCA sets aside \$2,000,000 for contract for deed conversion activities annually and releases the funds through the reservation system as a method of distribution.
	Describe threshold factors and grant size limits.	Applicants must meet the thresholds provided in the NOFA and State HOME Program Rules in effect the year in which they receive their award. Administrators are not awarded a grant following a successful application. Rather funds are awarded on a household by household basis.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to households with incomes at or below 60% AMFI.
13	State Program Name:	TCF Main Street Program
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The TCF Main Street Program provides eligible Texas Main Street communities with grants to expand or enhance public infrastructure in historic main street areas.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The selection criteria for the TCF Main Street Program will focus upon the following factors: a. Applicant Need criteria, including poverty rate, median income, unemployment rate, and community need; b. Project criteria, including leverage, economic development consideration, sidewalks projects and Americans with Disabilities Act ("ADA") compliance, broad-based public support, emphasis on benefit to LMI persons, and grant application training; and c. Main Street program criteria, including National Main Street program recognition, Main Street program participation, historic preservation ethic impact.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
	Describe how resources will be allocated among funding categories.	6% of the total TCF allocation up to a maximum amount of \$600,000, and program income up to \$150,000 (if available).
	Describe threshold factors and grant size limits.	Maximum \$250,000/Minimum \$50,000
	What are the outcome measures expected as a result of the method of distribution?	Eliminate or prevent slum and blight conditions.
14	State Program Name:	TCF Real Estate and Infrastructure Development Programs
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Texas Capital Fund ("TCF") Real Estate and Infrastructure Development Programs provides grants and/or loans for Real Estate and Infrastructure Development to create or retain permanent jobs in primarily rural communities and counties.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The selection criteria for the TCF Real Estate and Infrastructure Development will focus upon the following factors:</p> <ul style="list-style-type: none"> a. Job creation criteria: <ul style="list-style-type: none"> i. Cost-per-job, ii. Job impact, iii. Wage impact, and iv. Primary jobs created/retained; b. Unemployment rate; and c. Return on Investment. <p>Once applications are evaluated and determined to be in the funding range the projects will be reviewed upon the following additional factors:</p> <ul style="list-style-type: none"> a. History of the applicant community in the program; b. Strength of the business or marketing plan; c. Evaluation of the business and the business' principal owners credit; d. Evaluation of community and business need; and e. Justification of minimum necessary improvements to serve the project.
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.</p>

	<p>Describe how resources will be allocated among funding categories.</p>	<p>14.51% of the State CDBG allocation is allocated to the Real Estate and Infrastructure Development Programs minus the lesser of 18% or \$1,800,000 of the total TCF allocation. In addition, program income funds generated by TCF projects and not otherwise allocated are made available for the Real Estate and Infrastructure Development Programs on the first day of a program year.</p> <p>In accordance with 24 CFR 570.479(e)(ii), the State has determined that program income generated by TCF during PY 2016 must be returned to the State for redistribution to new economic development activities. TCF awards are made for a specific project, based on the minimum necessary work to support the creation or retention of specific jobs, which must be completed prior to close out of the TCF contract. Therefore the community is unlikely to continue funding the same activity in the near future as described in the new regulation.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$1,500,000/Minimum \$150,000</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Activities Benefiting LMI Persons</p>
<p>15</p>	<p>State Program Name:</p>	<p>TCF Small and Micro Enterprise Revolving Fund</p>
	<p>Funding Sources:</p>	
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Texas Capital Fund ("TCF") Small and Micro Enterprise Revolving Fund provides grants to local partnerships of communities and non-profit organizations to establish a local revolving loan fund, providing loans to local small businesses that commit to create or retain permanent jobs.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The selection criteria for the Small and Micro Enterprise Revolving Fund will focus on the following factors:</p> <ul style="list-style-type: none"> a. Community Need; b. Non-Profit Loan Capacity; and c. Multi-jurisdictional applications.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
	Describe how resources will be allocated among funding categories.	Program Income funds up to \$1,500,000 are made available for the Small and Micro Enterprise Revolving Fund on the first day of a program year.
	Describe threshold factors and grant size limits.	\$100,000 per award
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
16	State Program Name:	Texas Capital Fund Downtown Revitalization Program
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Texas Capital Fund ("TCF") Downtown Revitalization Program awards grant funds for public infrastructure to foster and stimulate economic development in rural downtown areas.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The selection criteria for the TCF Downtown Revitalization Program will focus upon the following factors: a. Applicant Need criteria, including poverty rate, median income, unemployment rate, and community need; b. Project criteria, including leverage, economic development consideration, sidewalks projects, and ADA compliance, broad-based public support, emphasis on benefit to LMI persons, and grant application training; and c. Past Performance.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov .
	Describe how resources will be allocated among funding categories.	12% of the total TCF allocation up to a maximum of amount \$1,200,000, and program income up to \$350,000 (if available).
	Describe threshold factors and grant size limits.	Maximum \$250,000/Minimum \$50,000
	What are the outcome measures expected as a result of the method of distribution?	Eliminate or prevent slum and blight conditions.
17	State Program Name:	Texas ESG Program
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	The ESG Program is currently a competitive grant that awards funds to private nonprofit organizations, cities, and counties in the State of Texas to provide the services necessary to help persons that are at-risk of homelessness or homeless quickly regain stability in permanent housing. During the next several years, TDHCA is working toward a plan that will provide funds directly to Texas CoCs, giving them more local control of the use of funds in their service areas.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>In the competitive process, applications are selected based on:</p> <ul style="list-style-type: none"> • Proposed Budget, Outcomes, and Match (30%); • Organizational Capacity & Project Design (30%); • Past Performance in Homeless Program Delivery (25%); • CoC Participation and Coordination (15%); • Financial Information (negative scores only); • Past Performance of Subrecipients in ESG Expenditure and Reporting (negative scores only); and • Other Deductions: (audit findings, etc; negative scores only). <p>When released via CoCs, the allocation amounts will be established by formula, and the CoCs will in turn use local distribution models.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>For the competitive process, Texas releases a NOFA each spring in anticipation of the State's receipt of ESG funding. Applications are accepted for generally a 30-day period. Applications are scored and ranked within their CoC regions.</p> <p>Eligible applicant organizations are Units of General Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and organizations as described in a Notice of Funding Availability or other funding mechanism. Governmental organizations such as Councils of Governments ("COGs"), LMHAs, and Public Housing Authorities ("PHAs") are not eligible and cannot apply directly for ESG funds; however COGs, LMHAs, and PHAs may serve as a partner in a collaborative Application but may not be the lead entity. These same criteria will apply to those entities with awards coming directly from the CoCs as well.</p> <p>Eligible applicant organizations also include private nonprofit organizations that are secular or religious organizations described in section 501(c) of the Internal Revenue Code of 1986, are exempt from taxation under subtitle A of the Code, have an acceptable accounting system and a voluntary board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>ESG funds may be used for six program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, HMIS, and administrative activities. Per 24 CFR §576.100(b), the total amount of an Applicant's budget for street outreach and emergency shelter cannot exceed 60% of their total requested amount. Within a collaborative Application, the 60% limit applies to the entire Application and not to each partner within the collaborative Application. This requirement will also apply in the direct CoC funding method.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Threshold documents include:</p> <ul style="list-style-type: none"> • Proposed budget, outcomes, and match; • Organizational capacity and project design; • Past performance on Homeless Program Delivery; • Certificate of CoC participation and coordination; and • Financial information (audit). <p>Within each CoC region, applicants may request no less than \$125,000 unless the initial amount available in the region is less than \$125,000. In those cases, applicants may request an amount no less than the available allocation for that region. Single applicants may request a maximum of \$150,000. For a collaborative application, the maximum request amount is \$150,000 times the number of partners in the application, with a maximum request of \$600,000. The minimum request for a collaborative application is \$125,000, unless the initial amount available in the region is less than \$125,000. In those cases the collaborative applicant may request an amount no less than the available allocation for that region. In a collaborative application, each partner is not limited to budgeting \$150,000 each; the total grant amount may be budgeted among all partners as agreed upon. These numbers may be adjusted depending on the final allocation from HUD. If funds are being provided directly to CoCs, they will establish these factors and limits with TDHCA approval. They will not necessarily reflect these factors, but will reflect a local decision-making process.</p>

	What are the outcome measures expected as a result of the method of distribution?	The expected outcome is that funds will be awarded to organizations that have the administrative and performance capacity to provide the services needed in their communities. The expected outcome of TDHCA's plan to fund the CoCs directly is that the same will be accomplished, but with CoC-wide planning rather than with only State planning.
18	State Program Name:	Texas HOPWA Program
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	DSHS selects seven AAs across the state through a combination of competitive Requests for Proposal ("RFP") and intergovernmental agency contracts. The AAs act as an administrative arm for DSHS by administering the HOPWA program locally. The AAs do not receive any HOPWA administrative funds from DSHS; all AA administrative costs are leveraged from other funding sources. The AAs, in turn, select HOPWA Project Sponsors to cover all 26 HSDAs through local competitive processes.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>Information on grant applications, available funding opportunities, application criteria, etc. can be found on the DSHS website: http://www.dshs.state.tx.us/fic/default.shtm. Contracting information and resources (i.e., General Provisions, contract requirements, etc.) are located on the DSHS website: http://www.dshs.state.tx.us/contracts/default.shtm.</p> <p>Contracting services for DSHS and other Health agencies are consolidated under the Health and Human Services Commission's Procurement and Contracting Services (PCS) Division. This division handles the solicitation, contract development, contract execution, and office of record for DSHS's contracting needs.</p> <p>Evaluation Criteria as noted in the most recent RFP process for AAs for Ryan White/State Services and HOPWA programs were: Respondent Background = 30%; Assessment Narrative = 15%; Performance Measures = 10%; Work Plan = 35%; and Budget = 10%.</p>

	<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>The AAs select HOPWA Project Sponsors to cover all 26 HSDAs through local competitive processes. Community-based organizations, minority organizations, minority providers, grassroots and faith-based organizations are encouraged to apply. Historically, many of the agencies that have provided services to TDHCA's client population are grassroots, community-based, and minority organizations.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>Texas HOPWA funding allocations are geographically distributed across the state to the 26 HSDAs based on factors such as population of PLWH and unmet need. Texas HOPWA serves PLWH and their family members, all of whom are at or below 80% of AMI, and most fall into the extremely low-income category. Allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid, and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. After allocations to each HSDA are determined, it is then up to the Project Sponsor to allocate between activities of TBRA, STRMU, PHP, Supportive Services, and administrative expenses (not to exceed 7% of their allocation) and submit those to their AA and DSHS for approval. Project Sponsors base allocations on many factors, including but not limited to, number of clients projected to continue into the next year, area unmet need, rental costs, prior number of clients served, average expenditures per client, and changes in HIV population living in poverty, etc. Funds are also reallocated during the year within HSDAs under each AA as needed when needs change.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>Texas HOPWA serves PLWH and their family members, all of whom are at or below 80% of AMI.</p> <p>The majority of HOPWA clients are classified as extremely low income, which is between 0% and 30% of AMI.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcome measures are number of unduplicated income-eligible clients and families living with HIV (households) assisted with each HOPWA service category (TBRA, STRMU, PHP if applicable, and Supportive Services).</p>
<p>19</p>	<p>State Program Name:</p>	<p>Texas Small Towns Environment Program Fund</p>
	<p>Funding Sources:</p>	<p>CDBG</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Texas Small Towns Environment Program ("STEP") Fund provides funds to cities and counties that recognize the need and potential to solve water and sewer problems through self-help techniques via local volunteers. By utilizing the resources of the community (human, material, and financial), the necessary construction, engineering, and administration costs can be reduced significantly from the cost for the installation of the same improvements through conventional construction methods.</p> <p>The self-help response to water and sewer needs may not be appropriate in every community. In most cases, the decision by a community to utilize self-help to obtain needed water and sewer facilities is based on the realization of the community that it cannot afford even a basic water or sewer system based on the initial construction costs and the operations/maintenance costs (including debt service costs) for water or sewer facilities installed through conventional financing and construction methods.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The following are the selection criteria to be used by CDBG staff for the scoring of assessments and applications under the Texas STEP Fund:</p> <ul style="list-style-type: none"> a. Project Impact b. STEP Characteristics, Merits of the Project, and Local Effort c. Past Participation and Performance d. Percentage of Savings off of the retail price e. Benefit to Low/Moderate-Income Persons
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Deobligated funds up to \$1,000,000 are made available for the STEP Fund on the first day of the program year.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$350,000/Minimum \$0</p>

	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
20	State Program Name:	Urgent Need Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	<p>Urgent Need ("UN") Fund assistance is available for activities that will restore water and/or sewer infrastructure whose sudden failure has resulted in death, illness, injury, or poses an imminent threat to life or health within the affected applicant's jurisdiction. The infrastructure failure must not be the result of a lack of maintenance and must be unforeseeable. An application for UN Fund assistance will not be accepted until discussions between the potential applicant and representatives of TDA, TWDB, and the Texas Commission on Environmental Quality ("TCEQ") have taken place. Through these discussions, a determination shall be made whether the situation meets eligibility requirements and if a potential applicant should be invited to submit an application for the UN Fund.</p> <p>Construction on an UN Fund project must begin within ninety (90) days from the start date of the CDBG contract. TDA may de-obligate the funds under an UN Fund contract if the grantee fails to meet this requirement.</p>

	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>To qualify for the UN Fund:</p> <ol style="list-style-type: none"> 1. The situation addressed by the applicant must not be related to a proclaimed state or federal disaster declaration. 2. The situation addressed by the applicant must be both unanticipated and beyond the control of the local government (e.g., not for facilities or equipment beyond their normal, useful life span). 3. The problem being addressed must be of recent origin. For UN assistance, this means that the situation first occurred or was first discovered no more than 30 days prior to the date that the potential applicant provides a written request to the TDA for UN assistance. UN funds cannot fund projects to address a situation that has been known for more than 30 days or should have been known would occur based on the applicant’s existing system facilities. 4. Each applicant for these funds must demonstrate that local funds or funds from other state or federal sources are not available to completely address the problem. 5. The applicant must provide documentation from an engineer or other qualified professional that the infrastructure failure cannot have resulted from a lack of maintenance or been caused by operator error. 6. UN funds cannot be used to restore infrastructure that has been cited previously for failure to meet minimum state standards. 7. The infrastructure requested by the applicant cannot include back-up or redundant systems. 8. The UN Fund will not finance temporary solutions to the problem or circumstance. 9. TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation, if eligible. 10. The distribution of these funds will be coordinated with other state agencies. <p>Each applicant for UN Funds must provide matching funds. If the applicant’s most recent Census population is equal to or fewer than 1,500 persons, the applicant must provide matching funds equal to 10 percent of the CDBG funds requested. If the applicant’s most recent Census population is over 1,500 persons, the applicant must provide matching funds equal to 20 percent of the CDBG funds requested. For county applications where the beneficiaries of the water or sewer improvements are located in unincorporated areas, the population category for matching funds is based on the number of project beneficiaries.</p>
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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>No funds will be allocated on the first day of the Program Year; however, the amount for this funding category may be adjusted during the 2015 PY as needed.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Maximum \$250,000/Minimum \$25,000</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.</p>

CDBG - ADDITIONAL DETAIL ON METHOD OF DISTRIBUTION 2016 ACTION PLAN - COMMUNITY DEVELOPMENT FUND

Funds for projects under the CD Fund are allocated among the 24 State planning regions based on the following:

The original CD formula is used to allocate 40% of the annual State CDBG allocation.

- Original CD formula (40%) factors:
 - a. Non-Entitlement Population 30%
 - b. Number of Persons in Poverty 25%
 - c. Percentage of Poverty Persons 25%
 - d. Number of Unemployed Persons 10%
 - e. Percentage of Unemployed Persons 10%

- To the extent possible, the information used to calculate the regional allocations through these factors will be based on the eligible non-entitlement applicants within each region. The population and poverty information used is from the current available decennial census data. The unemployment information used is the current available annual average information. TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f).

The HUD formula is used to allocate 21.71% of the annual State CDBG allocation.

- The formula is the same methodology that HUD uses to allocate CDBG funds among the States for use in non-entitlement areas. The HUD factors, percentages, and methodology are specified in 42 USC. §5306(d). TDA will use available data to calculate the allocations to each region.

- Using the HUD methodology, the allocation for each region shall be the greater of an amount that bears the same ratio to the allocation for all 24 regions available as either:

(A) the average of the ratios between:

- o the population of the non-entitlement areas in that region and the population of the nonentitlement areas of all 24 regions (counted one time - 25% weight);
- o the extent of poverty in the non-entitlement areas in that region and the extent of poverty in the non-entitlement areas of all 24 regions (counted two times - 50% weight); and
- o the extent of housing overcrowding in the non-entitlement areas in that region and the extent of housing overcrowding in the non-entitlement areas of all 24 regions (counted one time - 25% weight);

OR

(B) the average of the ratios between:

- o the age of housing in the non-entitlement areas in that region and the age of housing in the

nonentitlement areas in all 24 regions (counted two and one half times - 50% weight);

o the extent of poverty in the non-entitlement areas in that region and the extent of poverty in the non-entitlement areas of all 24 regions (counted one and one half times - 30% weight); and

o the population of the non-entitlement areas in that region and the population of the nonentitlement areas of all 24 regions (counted one time - 20% weight).

CDBG - ADDITIONAL DETAIL ON METHOD OF DISTRIBUTION 2016 ACTION PLAN - DEOBLIGATED FUNDS

Deobligated Funds

On the first day of the program year, deobligated funds will be made available to the fund categories as described in Table 4. Any unallocated deobligated funds and other available program income (not derived from TCF real estate projects) will be allocated as follows:

1. 20% shall be allocated to the DR Fund;
2. 80% shall be allocated to those fund categories that do not have allocations prescribed by federal or state law.

The allocation shall be based on the pro-rata share of the percentages specified in Section AP-30 of this Action Plan. Allocations to the CD Fund will be distributed to each of the 24 Planning Regions based upon the methodology used in calculating the annual regional allocation. Allocations to regions that either (a) have no eligible applications, or (b) cannot fully fund the next highest ranking applications will be made available to the CD Fund (to other regions with eligible applications) or to the DR Fund.

CDBG - ADDITIONAL DETAIL ON METHOD OF DISTRIBUTION 2016 ACTION PLAN - UNOBLIGATED FUNDS

Unobligated Funds

For an award that is withdrawn from an applicant, the TDA follows different procedures for the use of those recaptured funds depending on the fund category in which the award is withdrawn.

1. The CD Fund – funds from the withdrawal of an award shall be offered to the next highest ranked applicant from that region that was not recommended to receive an award due to depletion of the region's allocation. A marginal amount may be offered to the next highest ranked applicant as long as the amount of funds still available exceeds the minimum CD Fund grant amount. Any funds remaining from a regional allocation that are not accepted by an applicant, that are not offered to an applicant, or remain due to lack of additional, unfunded applications, may be allocated among regions with eligible, unfunded applications. If unallocated to another region, they are then subject to the procedures used to allocate Deobligated Funds.

2. The PCB Fund – funds from the withdrawal of a PCB award are offered to the next highest ranked applicant that was not recommended to receive an award due to depletion of the fund’s annual allocation. A marginal amount may be offered to the next highest ranked applicant as long as the amount of funds still available exceeds the minimum grant amount. Any funds remaining from the allocation that are not accepted by an applicant from the statewide competition or that are not offered to an applicant from the statewide competition may be used for other CDBG fund categories and, if unallocated to another fund, are then subject to the procedures used to allocate Deobligated Funds.

3. The Colonia Funds – funds from the withdrawal of any Colonia Fund award remain available to potential Colonia Fund applicants during that program year. If unallocated within the Colonia Fund, funds then may be used for other CDBG fund categories to fund eligible projects or activities that assist colonia residents. Remaining unallocated funds are then subject to the procedures used to allocate Deobligated Funds.

4. DR/UN Funds - funds from the withdrawal of a DR/UN award remain available to potential DR/UN Fund applicants during that program year. If unallocated within the DR/UN Fund, the funds are subject to the procedures used to allocate Deobligated Funds.

5. The STEP Fund - funds from the withdrawal of a STEP award will be made available in the next round of STEP competition following the withdrawal date in the same program year. If the withdrawn award was made in the last of the two competitions in a program year, the funds would go to the next highest scoring applicant in the same STEP competition. If there are no unfunded STEP applicants, then the funds would be available for other CDBG fund categories. Any unallocated STEP funds are subject to the procedures used to allocate Deobligated Funds.

6. The TCF – funds from the withdrawal of a Main Street, Downtown Revitalization or Small and Micro Enterprise Revolving Fund award shall be offered to the next highest ranked application that was not recommended to receive an award due to depletion the program’s allocation. Funds from the withdrawal of a Real Estate and Infrastructure award shall be made available in the next monthly round of competition. Any unallocated TCF funds are then subject to the procedures used to allocate Deobligated Funds.

CDBG - ADDITIONAL DETAIL ON METHOD OF DISTRIBUTION 2016 ACTION PLAN - PROGRAM INCOME

Program Income

Program income is defined as gross income received by a state, a unit of general local government, or a subrecipient of a unit of general local government that was generated from the use of CDBG funds. When program income is generated by an activity that is only partially funded with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. Any remaining program income must be returned to the State.

The State may use up to the maximum allowable percentage of the amount recaptured and reportable to HUD each year for administrative expenses under the CDBG Program. This amount will be matched by the State on a dollar-for-dollar basis.

TCF and Revolving Loan Fund ("RLF") Program Income

Funds retained in any existing local RLF must be committed within three years of the original CDBG contract programmatic close date. At least one eligible loan/award from the local RLF must be made every three years. Every award from the RLF must be used to fund the same type of activity from which such income was derived. A local RLF may retain a cash balance not greater than 33% of its total cash and outstanding loan balance. All activities funded with RLF funds must comply with CDBG regulations and rules and guidelines. If a local government does not comply with the RLF requirements, all program income retained in the local RLF and any future program income received from the proceeds of the RLF must be returned to the State.

To the extent there are eligible applications, program income derived from the TCF real estate projects will be used to fund awards under the TCF. Other available program income shall be allocated based on the methodology used to allocate Deobligated Funds.

Discussion

The distribution process for 4% HTC Program, 9% HTC Program, HHSP, Housing Trust Fund Program, MMC Program, My First Texas Home Program, NSP PI Program, Section 8 HCV Program, Section 811 PRA Program, and TCAP Loan Repayments can be found in the documents that govern these programs, all available at <http://www.tdhca.state.tx.us/>. The CDBG Colonia Set-Aside Methods of Distribution will be included in Action Plan Section 48, which is specifically about colonias.

Along with selecting appropriate entities to administer funding, the State must ensure that the funding is appropriately spent. For example, in addition to an outcome measure of the number of clients/households supported with HOPWA housing subsidies assistance, AAs routinely monitor Project Sponsors for compliance and performance. DSHS monitors the AAs and annually compiles AAs' and Project Sponsors program progress reports and reviews cumulative data for number of households assisted compared to goals, expenditures, and stability outcomes of households served. More information on CPD Programs monitoring efforts are described in Strategic Plan Section 80, Monitoring.

Additional detail on the Method of Distribution for CDBG funds is included as an attachment

AP-35 Projects – (Optional)

Introduction

At the time of submission of the State of Texas 2015-2019 Consolidated Plan, project information will not have been entered in the Annual Action Plan-35 Projects table. Per Consolidated Plan Guidance Released on February 2014, project-level detail for states is not required because the State does not initiate specific projects or activities. This guidance continues for the 2016 OYAP.

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

Because no projects have been entered in this section, this section is not applicable. Allocation priorities are discussed in Action Plan Section 25, which also includes meeting special needs. Actions to meeting underserved needs are found in Action Plan Section 85.

CDBG-DR allocation priorities can be found in the CDBG-DR Action Plan at: <http://www.glo.texas.gov/GLO/disaster-recovery/index.html>

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

Not applicable.

Acceptance process of applications

Not applicable.

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

Yes

State’s Process and Criteria for approving local government revitalization strategies

TDA's CDBG program operates four programs that stimulate job creation/retention activities that primarily benefit LMI persons, prevent/eliminate slum and blight conditions, and support community planning efforts.

The **TCF Real Estate and Infrastructure Development Programs** provides grants and/or loans for Real Estate and Infrastructure Development to create or retain permanent jobs in primarily rural communities and counties.

The **Downtown Revitalization Program** is intended to stimulate economic growth through the funding of public infrastructure improvements to aid in the elimination of slum and blight conditions in the historic downtown areas of rural communities. The program is only available to “non-entitlement” city governments. Non-entitlement cities do not receive direct funding from HUD and typically include cities with a population of less than 50,000. Awarded cities receive funds to make public infrastructure improvements in the designated historic, downtown business district. Projects must meet the national objective of aiding in the elimination of slum and/or blighted conditions identified by city resolution. The improvements must directly support the revitalization of the city's designated downtown area.

The **Main Street Development Program** is intended to stimulate economic growth through the funding of public infrastructure improvements to aid in the elimination of slum and blight conditions in the historic downtown areas of rural communities identified by the Texas Historical Commission as a Main Street Community. The program is only available to “non-entitlement” city governments that are also designated as an official Texas Main Street City by the Texas Historical Commission. Non-entitlement cities do not receive direct funding from HUD and typically include cities with a population of less than 50,000. Awarded cities receive funds to make public infrastructure improvements in the designated Main Street business district. Projects must meet the national objective of aiding in the elimination of slum and/or blighted conditions identified by city resolution. The improvements must directly support the revitalization of the city's designated main street area.

The **Planning and Capacity Building Fund** is a competitive grant program for local public facility and housing planning activities. Localities apply for financial assistance to prepare a “comprehensive plan” or any of its components. Typical activities regard topics such as: Base Mapping, Land Use, Housing, Population, Economic Development and/or Tourism, Central Business District, Street Conditions,

Thoroughfares, Parks and Recreation, Water Distribution and Supply, Wastewater Collection and Treatment, Drainage (streets & flood hazard areas), Gas or Electric Systems (if owned by the locality), Community Facilities, Capital Improvements Program, Zoning Ordinance, Subdivision Regulation. Section 105(a) of the Housing and Community Development Act of 1974, as amended, outlines all the generally eligible activities.

AP-48 Method of Distribution for Colonias Set-aside – 91.320(d)&(k)

Distribution Methods

State Program Name	Funding Sources
Colonias Set-Aside: Colonia Economically Distressed Areas Program Legislative Set-Aside	CDBG CDBG Colonias Set-aside
Colonias Set-Aside: Colonia Planning and Construction Funds	CDBG CDBG Colonias Set-aside
Colonias Set-Aside: Colonia SHC Legislative Set-Aside (administered by TDHCA)	CDBG CDBG Colonias Set-aside
Colonias Set-Aside: Colonias to Cities Initiative Program	CDBG CDBG Colonias Set-aside
Community Development Fund	CDBG
Community Enhancement Fund	CDBG
Disaster Relief Funds	CDBG
General HOME Funds for Single-Family Activities	HOME
HOME Multifamily Development	HOME
Planning/Capacity Building Fund	CDBG
State Mandated Contract for Deed Conversion Set-Aside	HOME
TCF Main Street Program	CDBG
TCF Real Estate and Infrastructure Development Programs	CDBG
Texas Capital Fund Downtown Revitalization Program	CDBG
Texas ESG Program	ESG
Texas HOPWA Program	HOPWA
Texas Small Towns Environment Program Fund	CDBG
Urgent Need Fund	CDBG
Local Revolving Loan Funds	CDBG

Table 19 - Distribution Methods by State Program for Colonias Set-aside

State Programs Addressed

Colonia Economically Distressed Areas Program ("CEDAP") Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, service

connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project.

Criteria and their importance

The TDA will evaluate the following factors prior to awarding CEDAP funds:

- The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program;
- The ability of the applicant to utilize the grant funds in a timely manner;
- The availability of funds to the applicant for project financing from other sources;
- The applicant's past performance on previously awarded CDBG contracts;
- Cost per beneficiary; and
- Proximity of project site to entitlement cities or metropolitan statistical areas (“MSAs”).

CDBG only: Access of application manuals

Guidelines, applications and additional program documentation can be found on TDA's website at www.texasagriculture.gov.

Resource Allocation among Funding Categories

The allocation is distributed on an as-needed basis.

Threshold Factors and Grant Size Limits

Maximum \$1,000,000/Minimum \$75,000

Outcome Measures expected as results of Distribution Method

Activities Benefiting LMI Persons

Discussion

Texas has the largest number of colonias and the largest colonia population of all the border states. The method of distribution for funds set aside to serve colonias relies on subgrantees along the Texas-Mexico border as well as interagency cooperation between TDHCA, TDA, TWDB, the Office of the Attorney General, and others. The majority of the funding that assists colonias is through infrastructure development, but funds are also available to address housing, community planning, economic revitalization and disaster relief. TDHCA’s role in administering colonia funding is limited to the Colonia SHCs (2.5% set-aside of all Texas’ CDBG funds) and HOME colonia set-aside. TDHCA has strategically

placed Border Field Offices along the Texas-Mexico Border that supports SHC staff with problem solving and training. The Border Field Offices exist to provide local technical assistance directly to both colonia residents and the organizations that serve colonia residents. TDHCA also works in concert with other state agencies on a regular basis—namely TDA and the Texas Secretary of State—to coordinate efforts and exchange information in order enhance service delivery.

The majority of the funding that assists colonias is through the CDBG Program. However, HOME has a specific set-aside for colonias. In addition, ESG and HOPWA may also provide funding in that area, as described in Action Plan Section 30.

AP-50 Geographic Distribution – 91.320(f)

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

HOME Addresses Geographic Areas for Assistance

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

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

ESG Addresses Geographic Areas for Assistance

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

HOPWA Addresses Geographic Areas for Assistance

The Texas HOPWA funding allocations are geographically distributed according to the 26 HIV HSDAs. Allocations are based on several factors, including past performance of Project Sponsors and unmet need, with the majority of Texas HOPWA clients (90% in 2014) classified as extremely low and low income. Allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. Many of these individuals reside in areas of minority concentration and most PLWH are racial and ethnic minorities, so the program allocates funding to meet the needs of PLWH in Texas.

CDBG Addresses Geographic Areas for Assistance

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

1. The CD Fund assigns a percentage of the annual allocation to each of the 24 Regional COGs, ensuring that each region of the state receives a portion of the funds.
2. The Colonia Fund directs funding to communities within 150 miles of the Texas-Mexico border.
3. All remaining funds are distributed through state-wide competitions without geographic priorities.

For the Colonia SHCs, centers are established along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb, Maverick, Val Verde, and El Paso counties as well as in any other county designated as an economically distressed area. The SHC Program serves approximately 28 colonias in seven border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

Geographic Distribution

Target Area	Percentage of Funds
State of Texas	100

Table 20 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

HOME Addresses Geographic Investments

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

ESG Addresses Geographic Investments

CoC regions have funding made available for competition according to the combination of the region's proportionate share of the state's total homeless population, based on the most recent Point-in-Time count submitted to HUD by the CoCs and the region's proportionate share of people living in poverty, based on the most recent 5-year American Community Survey poverty data published by the Census Bureau. For the purposes of distributing funds, the percentage of statewide homeless population is

weighted at 75% while the percentage of statewide population in poverty is weighted at 25%

HOPWA Addresses Geographic Investments

At the end of 2012, nearly 73,000 people in Texas were known to have HIV and it is estimated that an additional 17,000 people in Texas are living with HIV but are currently unaware of their status. The number of Texans living with HIV increases each year and in order to meet the needs of low-income PLWH in Texas, many of whom live in areas of minority concentration, the HOPWA funding allocations are geographically distributed across the State and are allocated based on several factors, including unmet need.

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

CDBG Addresses Geographic Investments

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

For the Colonia SHCs, state legislative mandate designates five centers along the Texas-Mexico border in specific border counties to address the long history of poverty and lack of institutional resources. Two additional counties have been designated as economically distressed areas and also operate centers through the program. These counties collectively have approximately 42,000 colonia residents who may qualify to access center services.

Discussion

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

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction

Affordable Housing goals for PY 2016 are indicated in the table below for the number of homeless, non-homeless, and special needs households, and for the number of affordable housing units that will be provided by program type, including rental assistance, production of new units, rehabilitation of existing units, utility connections for existing units, or acquisition of existing units. Note that goals entered for ESG are only for Homeless Prevention and Rapid Re-housing. The HOME goals include multifamily and single family activities.

One Year Goals for the Number of Households to be Supported	
Homeless	4,740
Non-Homeless	363
Special-Needs	1,713
Total	6,816

Table 21 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	6,475
The Production of New Units	172
Rehab of Existing Units	58
Acquisition of Existing Units	54
Total	6,759

Table 22 - One Year Goals for Affordable Housing by Support Type

Discussion

The one year goals for TDHCA's HOME Program include homebuyer assistance with possible rehabilitation for accessibility, TBRA, homeowner rehabilitation assistance, rehabilitation of multifamily units, and construction of single-family and multifamily units.

TDHCA's ESG Program provides Rapid Re-housing assistance to help homeless individuals and households quickly regain stability in housing. Homelessness Prevention and Emergency Shelter outcome indicators are counted as persons, not households, so is not added into the chart above. ESG

also provides street outreach, but as this does not directly equate to affordable housing, it is not counted above.

DSHS' HOPWA Program provides TBRA, STRMU, PHP, and Supportive Services to assist low-income HIV-positive clients and their households to establish or maintain affordable, stable housing, reduce the risk of homelessness, and improve access to health care and other services. HOPWA serves households with 80% or less of area median income, but a majority of Texas HOPWA households are under 30% AMI and lack of affordable housing is an ongoing issue. DSHS estimates that the HOPWA program will assist 890 unduplicated, income-eligible households with housing subsidy assistance.

Currently, Texas CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides a cost savings for housing when used to install water and sewer yard lines and pay impact and connection fees for qualifying residents. Housing rehabilitation projects are prioritized in several fund categories. CDBG funds also help communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. CDBG provides approximately 250 utility connections per year, which are not reflected in the chart above, but could prove essential to obtaining or maintaining housing.

Colonia residents are considered "Special Needs" households who are supported through the production, rehab or acquisition of units (no rental assistance). The Colonia SHCs continue to address affordable housing needs in border counties by assisting qualifying colonia residents to improve or maintain a safe, suitable home in suitable areas, with the contribution of the residents' sweat-equity which is required in all housing activities at the SHC. In addition, the Colonia SHCs provide other development opportunities that support the creation of affordable housing for beneficiaries, such as tool lending, and training in home construction and repair, financial literacy, and homeownership skills.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction

TDHCA believes that the future success of 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 PHAs, it is important to maintain a relationship with these service providers.

Actions planned during the next year to address the needs to public housing

TDHCA, as a small PHA itself, works with other PHAs around the State to port vouchers when necessary. This is especially true for Project Access, a TDHCA program that uses Section 8 vouchers to serve people with disabilities living in certain institutions by transitioning them into residing in the community, described fully in Action Plan Section 65. For the Project Access Program, an applicant is issued a voucher from TDHCA. To port the voucher, TDHCA works with the Receiving Public Housing Authority ("RPHA") to transfer the documents and the voucher. The voucher holder is briefed and given an introduction on the RPHAs program rules. At this time, the RPHA can decide to absorb the voucher or bill the Initial PHA ("IPHA"). If the RPHA absorbs the voucher, the RPHA will send notice to the IPHA for documentation. This allows TDHCA to use another HCV for another applicant on the Project Access waiting list. If the RPHA bills the IPHA, the RPHA is required to submit a billing notice within an allotted time to the IPHA so payment can be received. In this way, TDHCA and local PHAs work closely together.

HOME Addresses PHA Needs

TDHCA provides notices of funding availability under the HOME Program to interested parties around the State, including PHAs. Furthermore, staff of PHAs, especially those receiving HOME funds and those with Section 8 Homeownership programs, are targeted by TDHCA's Texas Statewide Homebuyer Education Program for training to provide homebuyer education opportunities and self-sufficiency tools for PHA residents.

In addition, PHAs may also administer HOME TBRA funds, enabling them to provide households with rental assistance and services to increase self-sufficiency.

Regarding HOME Multifamily Development that is also financed with the HTC Program, PHAs are incentivized in the QAP to either provide leverage in developments that they own or to provide financing as evidence of support from Local Political Subdivisions for developments which they do not own.

ESG Addresses PHA Needs

PHA residents are eligible to receive assistance and services from ESG Subrecipients, as long as the assistance does not violate Section 576.105(d) of the ESG rules regarding use of funds with other subsidies. Fostering public housing resident initiatives is not an initiative for which TDHCA provides funding or that TDHCA tracks for the ESG Program.

HOPWA Addresses PHA Needs

The HOPWA program administered by DSHS does not provide public housing assistance. However, Project Sponsors coordinate closely with local housing authorities for client referrals and to address local housing issues. HOPWA clients who move into public housing are no longer eligible to receive HOPWA housing subsidy assistance but are offered HOPWA Supportive Services as needed for transition and if eligible, may continue to receive services through the Ryan White/State Services program.

CDBG Addresses PHA Needs

The Texas CDBG Program serves public housing areas through various funding categories as residents of PHAs qualify as low- to moderate-income beneficiaries for CDBG projects.

CDBG grant recipients must also comply with local Section 3 policies, including outreach to public housing residents and other qualified Section 3 persons in any new employment, training, or contracting opportunities created during the expenditure of CDBG funding.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

HOME, ESG, HOPWA, and CDBG are subject to 24 CFR Part 135 which requires that HUD funds invested in housing and community development construction contribute to employment opportunities for low-income persons living in or near the HUD-funded project. These requirements, called Section 3 requirements, are covered at trainings for Subrecipients; persons who may benefit from employment opportunities include PHA residents.

HOME Addresses Public Housing Resident Initiatives

PHAs are eligible to apply to administer HOME funds to provide homebuyer assistance in their areas. PHAs also provide services to increase self-sufficiency, which may include homebuyer counseling services. In addition, TDHCA targets its Texas Statewide Homebuyer Education Program to PHAs, among other groups, which provide homebuyer education training opportunities and self-sufficiency tools for PHA residents.

ESG Addresses Public Housing Resident Initiatives

PHA residents are eligible to receive assistance and services from ESG Subrecipients, as long as the

assistance does not violate Section 576.105(d) of the ESG rules regarding use of funds with other subsidies.

HOPWA Addresses Public Housing Resident Initiatives

The HOPWA program administered by DSHS does not provide public housing assistance. However, Project Sponsors coordinate closely with local PHAs for client referrals and to address local housing issues.

CDBG Addresses Public Housing Resident Initiatives

The CDBG Program serves public housing areas through various funding categories as residents of PHAs qualify as low- to moderate-income beneficiaries for CDBG projects.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

TDHCA has worked to promote programs that will rehabilitate and bring substandard housing into compliant condition and will develop additional affordable housing units. For example, most of the PHA applications for HTCs are for rehabilitation and the applications for new construction usually include a demolition of the existing units. TDHCA also offers a variety of funding sources for assistance. Most PHAs that apply are usually from larger Metropolitan Statistical Areas, which are PJs and not eligible to receive HOME funding through TDHCA. Consistent with fair housing objectives, TDHCA seeks ways to accomplish these activities in a manner that seeks to place PHA units in areas of greater opportunity and areas that do not involve unacceptable site and area features.

In one specific case, TDHCA absorbed vouchers from a PHA which was having difficulties, the Navasota Housing Authority. HUD identified that the Navasota Housing Authority was administering vouchers outside of their jurisdiction. Therefore, the Navasota Housing Authority contacted TDHCA to discuss the possibilities of absorbing these vouchers. During a series of meetings with HUD staff and the PHAs, discussion resulted in a scheduled on-site visit. Ultimately, the Navasota Housing Authority transferred additional funds to TDHCA and HUD reassigned the files' PHA code. Similarly, TDHCA has collaborated with the Alamo Area Council of Governments in its request to HUD that TDHCA permanently absorb the vouchers it administers in Bexar County.

To expand its work with PHAs, TDHCA has developed a relationship with the Texas Housing Association and the Texas chapter of the National Association of Housing and Redevelopment Officials ("NAHRO"), which serve the PHAs of Texas. Whenever possible, the State will communicate to PHAs the importance of serving special needs populations.

Discussion

To address PHA needs, TDHCA has designated PHAs as eligible entities for its programs, such as the HTC Program, HOME Program, and ESG Program. PHAs have successfully administered HTC funds to rehabilitate or develop affordable rental housing. The PHA needs to submit an application and be awarded in order to access funding.

There are also federal sources available for PHAs that can be paired with HOME. Also through HUDs Rental Assistance Demonstration (“RAD”) Program, PHAs can use public housing operating subsidies along with HTC Program once the older PHA units are demolished and replaced with new housing. Because most PHAs using RAD are located in PJs, TDHCA does not anticipate using its HOME funds in conjunction with RAD consistent with its restrictions on HOME fund use in participating jurisdictions, but it is an allowable activity for units in non PJs.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

TDHCA will address requirements in 24 CFR §91.320 by using funds to reduce and end homelessness. Each ESG applicant is required to coordinate with the lead agency of the CoC, which provides services and follows a centralized or coordinated assessment process; has written policies and procedures in place as described by §578.7(a)(8) and (9); and follows a written standard to provide street outreach, emergency shelter, rapid re-housing, and homelessness prevention assistance. To assist low-income individuals and families to avoid becoming homeless, especially those discharged from publicly-funded institutions and systems of care, or those receiving assistance from public and private agencies that address housing, health, social services, employment, education, or youth needs, TDHCA requires each Subrecipient to set performance targets that are part of their contract and extended to each of the local organizations that the Subrecipient funds. A Subrecipient must address the housing and supportive service needs of individuals assisted with ESG funds in a plan to move the client toward housing stability.

In addition, ESG works in tandem with other programs that help to transition persons out of institutions, such as the HOPWA Program, Section 811 PRA Program, Project Access Program, Money Follows the Person Program, and the Home and Community-Based Services - Adult Mental Health Program. The HHSCC also works to enhance coordination between housing and service agencies to assist persons transitioning from institutions into community-based settings.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Texas ESG Program provides funds to service providers for outreach to unsheltered homeless persons in order to connect them to emergency shelter, housing, or critical services; and to provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or other appropriate facilities. Of critical importance is assisting the unsheltered homeless with emergency shelter or other placement. One of the possible performance measures that Subrecipients will be measured against is their ability to help homeless persons move into permanent housing, achieve higher incomes and gain more non-cash benefits. To ensure long-term housing stability, clients will be required to meet with a case manager not less than once per month (with exceptions pursuant to the VAWA and the Family Violence Prevention and Services Act ("FVPSA")). Subrecipients will also be required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

Addressing the emergency shelter and transitional housing needs of homeless persons

The ESG Program helps the unsheltered homeless and homeless individuals and families residing in emergency shelter and those fleeing domestic violence to return to stable housing conditions by providing support to organizations that provide emergency services and shelter to homeless persons and households. One of the possible performance measures that Subrecipients will be measured against is their ability to help individuals and families move out of emergency shelter and transitional housing and into permanent housing, achieve higher incomes and gain more non-cash benefits. To ensure long-term housing stability, clients will be required to meet with a case manager not less than once per month (with exceptions pursuant to the VAWA and the FVPSA). Subrecipients will also be required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

In addition, the State will consider transitional housing as having characteristics associated with instability and an increased risk of homelessness, which may allow clients moving out of transitional housing to access Homelessness Prevention services.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The ESG Program has broadened the activities that can be used to help low-income families and individuals avoid becoming homeless and to rapidly re-house persons or families that experience homelessness. ESG funds can be used for short-term and medium-term rental assistance, rental application fees, security deposits, utility deposits, utility payments, and moving costs for homeless individuals or persons at risk of homelessness. Funds can also be used for housing service costs related to housing search and placement, housing stability case management, mediation, legal services, and credit repair. ESG funds can also be used to pay for essential service costs including case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and costs related to serving special populations.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

In addition to homelessness prevention, ESG funds provided to CoCs actively promote coordination with community providers and integration with mainstream services to marshal available resources. One performance measure for subrecipients may be their ability to help increase non-cash benefits for program participants; the subrecipients would help program participants obtain non-ESG resources, such as veterans benefits or food stamps.

Individuals eligible for the State's HOPWA Program who are exiting from an institution receive a comprehensive housing plan and linkage and referrals to health professionals from a case manager. The State HOPWA Program provides TBRA, which can be used to transition persons from institutions into stable housing. Some project sponsors also provide rental deposits and application fees.

Other programs included in this Plan also address persons transitioning from institutions. For example, TDHCA has received awards totaling more than \$24 million for the Section 811 PRA Program. The program will help extremely low-income individuals with disabilities and their families by providing more than 600 new integrated supportive housing units in seven areas of the state. Members of the target population include individuals transitioning out of institutions; people with severe mental illness; and youth with disabilities transitioning out of the state's foster care system. Individuals in the Section 811 PRA Target Population are eligible for assistance from public agencies, are Medicaid-eligible, and could be at-risk of housing instability and/or homelessness.

Coordination between housing and the Health and Human Services ("HHS") agencies is exemplified by the Project Access and Money Follows the Person programs. Project Access uses Section 8 Housing Choice Vouchers administered by TDHCA to assist low-income persons with disabilities transition from nursing homes and Intermediate Care Facilities ("ICFs") to the community, while using the Money Follows the Person Program to provide services by HHS agencies. Since it began in 2002, the TDHCA Governing Board approved changes to Project Access based on input from advocates and the HHS agencies, such as incremental increases to vouchers from 35 to 140 and creation of a pilot program with DSHS for persons with disabilities transitioning out of State Psychiatric Hospitals.

In addition, TDHCA offers the use of TBRA to individuals on the Project Access Wait List, allowing him/her to live in the community until she/he can use Project Access. TDHCA conducted outreach and technical assistance to Department of Aging and Disability Services ("DADS") Relocation Specialists and HOME TBRA Administrators to help them serve individuals on the wait list.

To further address the needs of individuals transitioning from institutions, HHSCC, codified in Texas Government Code, Chapter 2306, Subchapter NN, seeks to increase coordination of housing and health services, by supporting agencies to pursue funding, such as Relocation Contractor services for people with behavioral health challenges and Intellectual and Developmental Disabilities; Medicaid waiver programs; vouchers from PHAs for people with disabilities and aging Texans; housing resources from the Texas Department of Criminal Justice for people with criminal histories transitioning to the community; and DSHS' rental assistance program.

HHSCC also encourages the coordination of TDHCA with DSHS for DSHS' new Home and Community-Based Services: Adult Mental Health Program. This program will serve individuals with Serious Mental Illness who have long-term or multiple stays in the State's Mental Health Facilities.

Discussion

The Texas ESG Program is designed to assist, assess and, where possible, shelter the unsheltered homeless; to quickly re-house persons who have become homeless and provide support to help them maintain housing; and to provide support that helps persons at risk of becoming homeless maintain their current housing. Other special needs populations are described in Action Plan Section 25.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	426
Tenant-based rental assistance	448
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	874

AP-75 Barriers to affordable housing – 91.320(i)

Introduction

The Phase 2 AI identifies impediments to fair housing choice in the State of Texas and action steps that the State intends to take to address identified impediments. This document describes state and local regulatory and land use barriers in detail. It may be accessed at <https://www.tdhca.state.tx.us/fair-housing/policy-guidance.htm>.

TDHCA staff developed a database to track fair housing action steps, link action steps to impediments, and document benchmarks and progress in implementing such action steps. This database assists the State in the development of well informed steps to directly address impediments reflected in the Phase 2 AI. Staff also developed a database to consolidate the demographic and geographic data of recipients of the Department's Housing Tax Credit programs and provide for in-depth analyses of patterns in the allocation of funding and comparison to census data. Staff believes these databases will assist in identifying new impediments to fair housing choice as the consolidated data is analyzed and the efficacy of implemented action steps is reviewed.

The State is currently developing best practices guidance related to zoning and land use regulations, policies, and practices that will further fair housing choice. The State plans to release best practices to the public through its Fair Housing website; the website will include areas specific to Real Estate Professionals, Developers and Administrators, as well as Local Governments and Elected Officials.

The AI included several suggestions on countering negative effects of public policy as it concerned two areas – land use and zoning and Not-In-My-Backyard Syndrome ("NIMBYism"). In order to avoid the difficulty, expense, and uncertainty that NIMBYism can engender, developers often focus on areas where their proposed developments are well supported. Changes in the scoring of the State's HTC Program provide incentives to develop in high opportunity areas. High opportunity areas include places with low poverty rates and quality schools, with above average state ratings.

Cases of NIMBYism can be difficult to track, it is hard to measure where NIMBYism occurs most often. The cases of NIMBYism most often associated with proposed multifamily developments, although not exclusive to these areas, NIMBYism appear anecdotally to be more likely to occur in areas with socioeconomic and housing homogeneity. To assist the State in gathering data on how elected officials, communities, and local governments are impacted by NIMBYism sentiments and to help the State in countering NIMBY messaging, TDHCA periodically outsources with universities and private consulting firms for studies, market analyses, and special projects. Guidance and resources to support affordable housing will be provided through TDHCA's Fair Housing website, along with the Fair Housing listserv and community events calendar, and a Speaker's Bureau that will be able to discuss this and other Fair Housing topics.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

TDHCA reviews all guiding documents, rules, and practices internally to determine if known barriers or impediments to furthering fair housing choice can be addressed through changes within TDHCA's power. The Department's Fair Housing, Data Management, and Reporting group continues ongoing interviews with Division Directors originally held in spring 2014. Initial recommendations and actions were noted for each program as well as a list of 15 cross-Divisional recommendations that included items such as improved Affirmative Marketing Rules, improved Language Assistance Plan guidance, a better internal mechanism for Fair Housing training, Fair Housing Team reviews of rule changes and NOFA documents, etc. TDHCA has been making and will continue to make a concerted effort to review and move forward on key recommendations and to increase staff and subrecipient education to ensure that all programs are providing best practices guidance to recipients and the general public.

TDHCA acts as an information resource for affordable housing studies and information. A project between TDHCA (including HHSC) and the University of Texas has resulted in a Fair Housing public service message campaign with videos in support of affordable housing, fair housing rights, and Service-Enriched Housing.

The Texas Workforce Commission Civil Rights Division ("CRD") received a two-year grant of HUD Partnership Funds for an outreach campaign. CRD launched a public service announcement initiative targeting Midland, Odessa, Laredo, and Victoria, as well as small cities and towns surrounding these "oil and gas boom" areas. The campaign educates people in these areas on their Fair Housing rights and responsibilities. This includes in-person and webinar training as well as outreach presentations. CRD's fair housing training was in such demand that the outreach campaign was expanded to include all of Texas and will run through 2016.

On August 17, 2015, the United States Department of Housing and Urban Development ("HUD") adopted the Final Affirmatively Furthering Fair Housing Rule ("AFFH" or "the rule"), detailing what recipients of block grant CPD funds and Public Housing funds must do to affirmatively further fair housing and the tool by which they can identify those steps. The rule requires that Units of Government take "meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics." The rule replaces the Analysis of Impediments ("AI") to Fair Housing Choice with a new Assessment of Fair Housing ("AFH") tool. The AFH Tool uses HUD-generated data, and a significant community participation process, to identify areas of disparity, patterns of integration and segregation, and disproportionate housing needs. With the information generated through the AFH tool and AFFH, Units of Government are responsible for identifying fair housing issues and contributing factors, assigning priorities to contributing factors, setting goals for overcoming prioritized contributing

factors, and maintaining records of progress in achieving goals.

The new process directly links the AFH tool and its identified goals with the Unit of Government's HUD-required program planning document (its Consolidated Plan or for a PHA, its 5-Year PHA Plan). Fair housing goals and priorities from the AFH are expected to be incorporated into the actual programming and proposed use of the HUD funds. Fair Housing staff are reviewing the AFFH rule and beginning to implement changes into the citizen participation plan. The first AFH tool is anticipated to be due to HUD from the State of Texas in May 2019. Staff will meet with legislators and local administrators to discuss the AFH tool and final rule.

Discussion

A current collaboration between federal funding recipients known as the Texas State Fair Housing Workgroup began in May, 2014 and continues to meet. This workgroup is assisting State agencies in adopting a uniform stance on Fair Housing issues and provide streamlined direction to essential Fair Housing information and best practices. To date, the workgroup has looked at sharing language assistance contracts, has generated ideas on streamlining Fair Housing discrimination complaint information and resources, and has served as a vehicle for comparing internal Fair Housing tracking and record keeping measures.

The Fair Housing Team at TDHCA has taken a leadership role in these meetings as directed under the 2013 Analysis of Impediments; the Fair Housing Team has shared both its Fair Housing Tracking Database and its Fair Housing website section, which TDHCA believes will become one of the leading Fair Housing website resources for the state. The Fair Housing Team has shared its demographic database, which is being created with the long-range goal of standardizing demographics collected in each TDHCA program area and analyzing these demographics to identify trends; make policy recommendations; and map service areas. As its initial test, this database will auto-generate an Excel spreadsheet that analyzes TDHCA multifamily property demographics against census data demographics by census tract, county, and MSA to determine which populations are under-represented or over-represented based on the definition of minority concentration from HUD. The spreadsheet debuted with the revised Multifamily and new Single Family Affirmative Marketing Rules. The spreadsheet assists Multifamily Owners in determining which populations are considered least likely to apply and should be included in an Affirmative Marketing Plan. The short-term effect should be an increase in understanding and compliance with the Affirmative Marketing Rule of TDHCA. The long-term effect should be an improved ability to determine which areas are under or over served and an ability to present such information objectively to stakeholders and local governments.

The Fair Housing Team has 36 action steps on which it is moving forward, and is able to produce metrics on its momentum under the AI through its Fair Housing Tracking Database. In addition to logged action steps, the database also includes outreach and daily task logs. The database collects action steps based on the four phases of project management planning (e.g., Plan, Review, Implement, and Evaluate) which lead staff to consider even at the planning stage how the step will be evaluated. This has resulted in a

metrics-focused planning effort that will continue to guide future initiatives. Finally, the State, through its Fair Housing Team, has created a new Fair Housing website section, including fair housing information for a variety of audiences (renters and homebuyers, owners and administrators, real estate agents, and local governments and elected officials) and will include fair housing toolkits and resources, links to a new Fair Housing email list and community events calendar, and a consumer survey. A portion of the available toolkits will be tailored to elected officials and local governments in an effort to encourage best practices in zoning and land use and addressing community concerns. Through this education and outreach, the State is hoping to make its best practices guidance widely known and to integrate such guidance with other state resource information.

AP-80 Colonias Actions – 91.320(j)

Introduction

Among the border states of California, Arizona, New Mexico, and Texas, Texas has the largest number of colonias (approximately 1,825) and the largest colonia population (approximately 369,000 individuals) (Office of the Texas Secretary of State, 2010). Texas' colonias lie outside of city limits in the rural areas of their respective counties, where few to no local building codes exist to protect the households that seek affordable and sanitary housing solutions. Egregious housing conditions persist while residents also endure substandard infrastructure, inadequate potable water and waste water systems, and a host of public health, environmental and employment risks.

As discussed in Action Plan Section 48, the majority of the funding that assists colonias is through the CDBG Program, which funds both state agencies working to develop infrastructure and water services, as well as subgrantees at the local government level who work in concert with nonprofit service providers for housing, community affairs, and economic development. The OCI focuses on Texas colonias because colonias are economically distressed areas home to low- and very low-income households who contend with inadequate housing and scarce tangible resources. Colonias have proliferated along the U.S.-Mexico border. The HOME Program also has a specific set-aside for the development of housing opportunities in the colonias.

Actions planned to address obstacles to meeting underserved needs

The State dedicates 12.5 percent of CDBG funds annually for colonia areas, and additional funds are also awarded for colonia projects through other competitive fund categories. Basic human needs, including water and sewer infrastructure and housing rehabilitation, are prioritized for colonia set-aside funding, with a particular emphasis on connecting colonia households to safe and sanitary public utilities. Colonia planning funds are available to research and document characteristics and needs for colonia communities.

The Colonia SHCs experience the obstacle of wavering capacity to meet the needs of extremely under resourced colonia residents. The typical challenges that nonprofits face, such as high-turnover, lack of succession planning, lack of long-term funding opportunities, limited access to high quality training, and limited access to continuing education resources, are all exacerbated for subgrantees serving border colonias. In response, TDHCA has strategically placed Border Field Offices along the Texas-Mexico border that support SHC staff with problem solving and training. The Border Field Offices exist to provide local technical assistance directly to both colonia residents and the organizations that serve colonia residents.

Colonia residents may also receive benefit through the HOME Program, which provides rental assistance, rehabilitation or reconstruction of owner-occupied units with or without refinancing, down payment and closing cost assistance with optional rehabilitation for the acquisition of affordable single

family housing, single family and multifamily development, and rental housing preservation of existing affordable or subsidized developments.

Actions the state plans to take to reduce the number of poverty-level families

Please refer to Strategic Plan Section 75 for how the TDHCA's Colonia SHCs provides one-stop-shop opportunities in targeted colonias along the Texas-Mexico border.

Actions the state plans to take to develop the institutional structure

Please refer to Strategic Plan Section 75 for the state's interagency strategy to monitor colonia improvements and facilitate information exchange among the agencies that address colonia issues.

Specific actions the state plans to take to enhance coordination between public and private house and social service agencies

In addition to the cooperation among various state agencies that help to support and develop colonias, TDHCA has established three strategically-placed Border Field Offices along the Texas-Mexico border, where the vast majority of colonias are situated. The Border Field Officers readily support administrators, disseminate funding information, and problem solve with administrators and colonia residents. This often requires facilitating communication with other service agencies, the private sector (such as colonia land owners, title companies, lenders), and other government agencies. Locally placed Border Field Officers increase the efficiency with which TDHCA can anticipate solutions and eventually builds institutional knowledge in the community.

In addition, TDA field representatives are available to provide general information on potential resources to communities and residents.

Discussion

TDHCA and TDA's participation in the Texas Secretary of State's interagency workgroup on colonia issues helps keep both departments abreast of other state agencies' actions in infrastructure, public health and other activities. In the event that one agency's process could be counterproductive to the efforts of either department, it is in this forum that mitigation and problem solving can take place.

AP-85 Other Actions – 91.320(j)

Introduction

The actions listed below are Other Actions taken by TDHCA, TDA, and DSHS to meet the requirements of §91.320(j). Other Actions include Meeting Underserved Needs, Fostering and Maintaining Affordable Housing, Lead-Based Paint Hazard Mitigation, Reducing Poverty-Level Households, Developing Institutional Structure, and Coordination of Housing and Services. The HOME, ESG, HOPWA, and CDBG programs address the other actions in concert with other federal, state, and local sources.

Actions planned to address obstacles to meeting underserved needs

HOME Addresses Underserved Needs

Obstacles to meeting underserved needs with HOME funds, particularly multifamily activities, include NIMBYism, a lack of understanding of federal requirements surrounding the use of HOME funds, and staff observation that program administrators may have more strict tenant or household selection criteria than other locally-run programs. TDHCA works to overcome these obstacles by educating developers and the communities where affordable housing is being proposed, as well as by offering HOME funds as grants or low-interest loans, with rates as low as 0%.

ESG Addresses Underserved Needs

Lack of facilities and services for persons experiencing homelessness in rural areas is ESG's greatest underserved need. To help meet this need, TDHCA has used Community Services Block Grant discretionary funds to provide training and technical support to organizations in the Balance of State CoC. Shelters in the Balance of State CoC have limited funds for operations and maintenance, with little access to federal funds which often require substantial organizational capacity less common in smaller organizations. ESG and TDHCA's HHSP, which is state-funded only in some urban areas, may supplement federal funds in operational support.

HOPWA Addresses Underserved Needs

Some significant obstacles to addressing underserved needs are PLWH inability to obtain or maintain medical insurance, maintain income, and especially obtain employment, are partially due to a difficult economy in conjunction with rising costs of living (rent, deposits, utilities, food, transportation, etc.), high unemployment, no access to health insurance and/or decreased access to other affordable housing such as the HCV program. The inability to access HCVs is due to long or closed waiting lists, and in some cases, client non-compliance and ineligibility due to undocumented immigrant status.

DSHS' HOPWA program helps meet the needs of this underserved population throughout the State by providing essential housing and utilities assistance as part of a comprehensive medical and supportive

services system. As a result, PLWH and their families are able to maintain safe and affordable housing, reduce their risk of homelessness, and access medical care and supportive services. DSHS will reallocate funding to address changing needs to maximize and target HOPWA funding to HSDAs that are in greatest need.

CDBG Addresses Underserved Needs

TDA encourages projects addressing underserved community development needs. In PY 2014 CDBG funds will be available through five different grant categories to provide water or sewer services on private property for low- and moderate-income households by installing yard lines and paying impact and connection fees. Regional competition for funding allows each area of the state to determine its highest priority needs, which may vary from first-time water service to drought relief to drainage projects.

Since the first legislative reforms in the 1990s, service providers in colonias have made gains in their capacity to address colonia issues, but unmet needs still exist and the Texas-Mexico border population growth is still increasing. OCI's main obstacle in addressing colonia housing needs is the varying capacities of subrecipients to administer assistance. TDHCA has established Border Field Offices along the Texas-Mexico border to readily provide technical assistance and on-going training to organizations and local governments that use TDHCA's CDBG funding.

Actions planned to foster and maintain affordable housing

HOME Addresses Affordable Housing

The HOME Program provides grant funds, deferred forgivable loans, and repayable loans to households or developments assisted by or through entities including units of local government, public organizations, nonprofit and for-profit organizations, CHDOs and PHAs. These funds are primarily used to foster and maintain affordable housing by providing rental assistance, rehabilitation or reconstruction of owner-occupied housing units with or without refinancing, down payment and closing cost assistance with optional rehabilitation for the acquisition of affordable single family housing, single family development and funding for rental housing preservation of existing affordable or subsidized developments. HOME funds may also be used in conjunction with the HTC Program or Bond Program to construct or rehabilitate affordable rental housing.

In addition, credits awarded through the HTC program can be layered with awarded funds from the HOME Multifamily Development program. When more than one source of funds is used in an affordable housing project, the State is able to provide more units of affordable housing than with one funding source alone.

ESG Addresses Affordable Housing

While TDHCA encourages the use of ESG funds to provide affordable transitional housing, the majority of funds are utilized to provide emergency shelter. Fostering affordable housing is not an initiative for which TDHCA provides funding or that TDHCA monitors in relation to the ESG Program.

HOPWA Addresses Affordable Housing

The cost of living continues to rise (increases in rent, utilities, application fees, and security deposits) while clients' income does not change, may decrease, or clients have no income. HOPWA makes housing more affordable for low-income clients so they can maintain housing, adhere to medical treatment, and work towards a healthier outcome. Project Sponsors will address long-term goals with the clients to help them establish a financial plan that can assist them in maintaining their housing. Affordable housing needs are high among PLWH. DSHS will continue to update funding allocations to address the changing needs of local communities and to maximize and target HOPWA funding to HSDAs in greatest need. DSHS will consider a variety of factors including but not exclusive to HIV/AIDS morbidity, poverty level, housing costs and needs, and program waitlists and expenditures. Furthermore, funds are reallocated between HOPWA activities within HSDAs to meet changing needs during the project year.

CDBG Addresses Affordable Housing

Currently, CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides a cost savings for housing when used to install water and sewer yard lines and pay impact and connection fees for qualifying residents.

Housing rehabilitation projects are prioritized in several fund categories, and TDA encourages each region to set aside a percentage of the regional allocation for housing rehabilitation projects.

CDBG helps communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. The Colonia SHCs continue to address affordable housing needs in border counties by assisting qualifying colonia residents to improve or maintain a safe, suitable home in suitable areas.

The OCI serves as a liaison to the Colonia SHCs to assist with securing funding and carrying out activities, such as low-interest mortgages, grants for self-help programs, revolving loan funds for septic tanks, and tool lending.

Actions planned to reduce lead-based paint hazards

HOME Addresses Lead-based Paint

The HOME Program requires lead screening in housing built before 1978 for all HOME eligible activities in accordance with 24 CFR §92.355 and 24 CFR Part 35, subparts A, B, J, K, M, and R. Furthermore, single-family and multifamily development activities in HOME increase the access to lead-based-paint-

free housing through the construction of new housing or reconstruction of an existing housing unit. There is significant training, technical assistance, and oversight of this requirement on each activity funded under the HOME Program.

ESG Addresses Lead-based Paint

For ESG, TDHCA requires Subrecipients to evaluate and reduce lead-based paint hazards as part of its habitability review. During the annual contract implementation training, TDHCA will provide ESG Subrecipients with information related to lead-based paint regulations and TDHCA's requirements related to such. TDHCA will require ESG-funded Subrecipients to determine if a housing unit was built prior to 1978, for households seeking ESG funded rent or rent deposit assistance whose household has a family member(s) six year of age or younger. If the housing unit is built prior to 1978, the ESG Subrecipient will notify the household of the hazards of lead-based paint.

ESG Subrecipients utilizing ESG funds for renovation, rehabilitation or conversion must comply with the Lead-Based Paint Poisoning and Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Through renovation, rehabilitation or conversion, ESG increases access to shelter without lead-based paint hazards. TDHCA evaluates, tracks, and reduces lead-based hazards for conversion, renovation, leasing or rehabilitation projects.

HOPWA Addresses Lead-Based Paint

HUD requires that Project Sponsors give all HOPWA clients utilizing homes built before 1978 the pamphlet entitled, "Protect Your Family from Lead in Your Home" during the intake process. The client's case record must include documentation that a copy of the pamphlet was given to the client and the case manager must make a certification regarding lead-based paint that includes actions and remedies if a child under age six will reside at the property.

CDBG Addresses Lead-Based Paint

Lead-based paint mitigation is an activity eligible under housing rehabilitation that is funded under the CPF, CFC, and Community Development Funds. Each contract awarded requires the sub-grantee to conform to Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)) and procedures established by TDA's CDBG in response to the Act.

Actions planned to reduce the number of poverty-level families

HOME Addresses Poverty-Level Households

Through the HOME TBRA Program, TDHCA assists households with rental subsidy and security and utility deposit assistance for an initial term not to exceed 24 months. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training,

General Education Development ("GED") classes, or drug dependency classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment options and increase their economic independence and self-sufficiency. Additionally, TDHCA allocates funding toward the rehabilitation and construction of affordable housing, incentivizing units to assist very low-income households, and assists very low-income households along the international border of Texas and Mexico by promoting the conversion of contract for deed arrangements to traditional mortgages.

ESG Addresses Poverty-Level Households

The ESG Program funds activities that provide shelter and essential services for homeless persons, as well as intervention services for persons threatened with homelessness. Essential services for homeless persons include medical and psychological counseling, employment counseling, substance abuse treatment, transportation, and other services. While TDHCA supports the use of ESG funds to help ESG clients lift themselves above the poverty line, it is not a specific initiative for which TDHCA earmarks ESG funding or that TDHCA monitors for the ESG Program.

For individuals threatened with homelessness, homelessness prevention funds can be used for short-term subsidies to defray rent and utility arrearages for households receiving late notices, and security deposits.

HOPWA Addresses Poverty-Level Households

The DSHS HOPWA Program serves households in which at least one person is living with HIV based on income eligibility criteria of no more than 80% of AMI with adjustments for family and household size, as determined by HUD income limits. With varying poverty levels and housing needs in each HSDA across the State, funds are allocated and reallocated throughout the program year to maximize and target HOPWA resources to those with the most need. While many HOPWA households assisted may be at poverty-level, this is not a requirement under 24 CFR §574.3.

CDBG Addresses Poverty-Level Households

A substantial majority of TDA's CDBG funds, over 95% in 2013, are awarded to principally benefit low and moderate income persons. In addition, the formula used to distribute CD funds among regions includes a variable for poverty to target funding to the greatest need. CDBG economic development funds create and retain jobs through assistance to businesses. LMI persons access these jobs, which may include training, fringe benefits, opportunities for promotion, and services such as child care.

Actions planned to develop institutional structure

HOME Addresses Institutional Structure

The HOME Program encourages partnerships in order to improve the provision of affordable housing. Organizations receiving Homebuyer Assistance funds are required to provide homebuyer education classes to households directly, or coordinate with a local organization that will provide the education. In addition, organizations receiving TBRA funds must provide self-sufficiency services directly, or coordinate with a local organization that will provide the services. Finally, partnerships with CHDOs and nonprofit and private-sector organizations facilitate the development of quality rental housing developments and assist in the rehabilitation or reconstruction of owner-occupied housing.

ESG Addresses Institutional Structure

TDHCA encourages ESG subrecipients to coordinate services with housing and other service agencies. Likewise, the CoCs funded with ESG funds are required to coordinate services and their local funded organizations to provide services as part of the local CoC. While ESG believes its system of funding applications that apply to a statewide NOFA is an effective system, ESG also believes that its move to fund the CoCs directly advances program goals of local coordination and cooperation within CoCs. TDHCA reviews ESG subrecipients' coordination efforts during on-site and desk monitoring. A map of local CoCs can be found online at: <http://www.thn.org/continuums/>.

HOPWA Addresses Institutional Structure

DSHS contracts with seven AAs, which contract directly with Project Sponsors serving all 26 HSDAs in the State to administer the HOPWA program under DSHS oversight. AAs also administer the delivery of other HIV health and social services, including the Ryan White and State Services HIV funds. This structure ensures the coordination of all agencies serving PLWH, avoids duplication, saves dollars, and provides the comprehensive supportive services for PLWH in each local community.

CDBG Addresses Institutional Structure

Each CDBG applicant must invite local housing organizations to provide input into the project selection process. TDA coordinates with state and federal agencies, regional Councils of Governments, and other partners to further its mission in community and economic development.

TDA also uses conference calls and webinars to provide training and technical assistance throughout the state. On-site project reviews may be conducted based on risk and other factors.

Actions planned to enhance coordination between public and private housing and social service agencies

TDHCA has staff members that participate in several State advisory workgroups and committees. The workgroups and committees which TDHCA leads are listed in Action Plan Section 15. The groups in which TDHCA participates include, but are not limited to the Community Resource Coordination Groups, led by the Health and Human Services Commission ("HHSC"); the Council for Advising and Planning for

the Prevention and Treatment of Mental and Substance Use Disorders, led by DSHS; Reentry Task Force, led by Texas Department of Criminal Justice; Interagency Workgroup on Border Issues, led by Secretary of State; Texas Foreclosure Prevention Task force, led by Texas State Affordable Housing Corporation; Money Follows the Person Demonstration Project, led by DADS; Promoting Independence Advisory Committee, led by HHSC; and Texas State Independent Living Council, lead by the Texas Department of Assistive and Rehabilitative Services ("DARS").

TDHCA's participation in HUD's Section 811 PRA Program requires linkages between housing and services through a partnership with TDHCA, and the State Medicaid Agency (i.e., HHSC). Because the program is designed so that an individual can access both affordable housing and services in the community, TDHCA staff and HHSC staff meet regularly to ensure both housing and services are coordinated for the program. TDHCA and HHSC have responsibilities to execute the program. TDHCA will use units for the program in multifamily housing financed by TDHCA and the services will be provided by a network of local service providers coordinated by the HHSC enterprise agencies.

HHSCC, established by Texas Government Code §2306.1091, seeks to improve interagency understanding and increase the number of staff in state housing and health services agencies that are conversant in both housing and services. HHSCC supports agencies in their efforts to secure funding for: expansion of Housing Navigators to all Aging and Disability Resource Centers ("ADRCs") with TDHCA assisting in training; expansion of the Program for All-Inclusive Care for the Elderly ("PACE"); implementation of the Delivery System Redesign Incentive Payment ("DSRIP") behavioral health projects; implementation of the Balancing Incentives Payment ("BIP") initiative; and DSHS' expansion of Oxford Houses for people with Substance Use Disorders. (Other coordination efforts for HHSCC involving people leaving institutions are in Action Plan Section 65.)

Further cooperation was directed by Senate Bill 7 passed during the 83rd Legislative session. Texas Government Code §533.03551 directs the commissioner of HHSC to work in cooperation with TDHCA, TDA, Texas State Affordable Housing Corporation ("TSAHC"), and other federal, state, and local housing entities to develop housing supports for people with disabilities, including individuals with intellectual and developmental disabilities.

Finally, DADS provides Money Follows the Person Demonstration funds to TDHCA for the equivalent of two full-time employees to increase affordable housing options for individuals with disabilities who currently reside in institutions and choose to relocate into the community; and to increase the amount of affordable housing for persons with disabilities, along with other TDHCA programs that will assist in preventing institutionalization. These enhanced coordination efforts further the implementation of many programs included in the Consolidated Plan, including the Section 811 PRA Program, Section 8 Project Access, and HOME Single Family activities.

Discussion

In addition to the program actions mentioned above, TDHCA strives to meet underserved needs by

closely monitoring affordable housing trends and issues as well as conducting its own research. TDHCA also makes adjustments to address community input gathered through roundtable discussions, web-based discussion forums and public hearings held throughout the State.

To foster and maintain affordable housing, TDHCA, TDA, and DSHS provide funds for nonprofit and for-profit organizations and public organizations to develop and maintain affordable housing. Funding sources include grants, low-interest loans, housing tax credits, and mortgage loans.

For lead-based paint hazard mitigation, DSHS has been charged with oversight of the Texas Environmental Lead Reduction Rules ("TELRR"). TELRR cover areas of lead-based paint activities in target housing (housing constructed prior to 1978) and child-occupied facilities, including the training and certification of persons conducting lead inspections, risk assessments, abatements, and project design. For all projects receiving over \$25,000 in federal assistance, contractors need to follow inspections and abatements standards overseen by DSHS. By following these standards, the State is increasing the access to housing without lead-based paint hazards. The adherence to inspection and abatement standards is related to the extent of lead-based paint in that a majority of the housing in need of rehabilitation is likely housing built before 1978.

Furthermore, TDHCA, DSHS, and TDA's programs are aimed at reducing the number of Texans living in poverty, thereby providing a better quality of life for all Texans. The departments provide long-term solutions to the problems facing people in poverty and focus resources to those with the greatest need.

Regarding institutional structure, TDHCA, DSHS, and TDA are primarily pass-through funding agencies and distribute federal funds to local entities that in turn provide assistance to households. Because of this, the agencies work with many partners, including consumer groups, community based organizations, neighborhood associations, community development corporations, councils of governments, community housing development organizations, community action agencies, real estate developers, social service providers, local lenders, investor-owned electric utilities, local government, nonprofits, faith-based organizations, property managers, state and local elected officials, and other state and federal agencies. Because the agencies do not fund individuals directly, coordination with outside entities is essential to the success of their programs. By structuring its operations this way, the State shares its risk and commits funds in correlation with local needs, local partners are able to concentrate specifically on their area of expertise and gradually expand to offering a further array of programs.

Finally, to enhance coordination between public and private housing and social service agencies, State agencies chief function is to distribute program funds to local providers that include units of local government, nonprofit and for-profit organizations, community-based organizations, private sector organizations, real estate developers and local lenders. The private housing and social service funds available for priority needs may include loans or grant programs through private banks, for-profit or nonprofit organizations; this source of funding varies from year to year.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction

Program specific requirements as referenced in 24 CFR 91.320 (k)(1,2,3) are described below for the CDBG, HOME, and ESG programs.

For the CDBG Program, it is expected that the total amount of program income that will have been received before the start of PY 2015 and that has not yet been reprogrammed will be \$2,500,000, including \$520,000 program income collected by the state and program income retained by local subgrantees and \$3,200,000 previously retained but not included in a prior action plan. The amount of CDBG urgent need activities is estimated to be \$5,100,000. The 85% of CDBG funds to benefit persons of low to moderate income includes PY 14-16.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	6,300,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	6,300,000

Other CDBG Requirements

1. The amount of urgent need activities 5,100,000
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. 85.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The State is not proposing to use any form of investment in its HOME Program that is not already listed as eligible for investment in 24 CFR 92.205(b).

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

If the participating jurisdiction intends to use HOME funds for homebuyers, the guidelines for resale or recapture must be described as required in 24 CFR §92.254(a)(5). Recapture provisions are not applicable for HOME-assisted multifamily rental projects; in the case of default, sale, short sale, and/or foreclosure, the entire HOME investment must be repaid.

TDHCA has elected to utilize the recapture provision under 24 CFR §92.254(a)(5)(ii) as its primary method of recapturing HOME funds under any program the State administers that is subject to this provision. The following methods of recapture would be acceptable to TDHCA and will be identified in the note prior to closing.

A. Recapture the amount of the HOME investment reduced on a pro rata share based on the time the homeowner has owned and occupied the unit measured against the required affordability period. The recapture amount is subject to available shared net proceeds in the event of sale or foreclosure of the housing unit.

B. In the event of sale or foreclosure of the housing unit, if the shared net proceeds (i.e., the sales price minus closing costs; any other necessary transaction costs; and loan repayment, other than HOME funds) are in excess of the amount of the HOME investment that is subject to recapture, then the net proceeds may be divided proportionately between TDHCA and the homeowner as set forth in the following mathematical formulas. If there are no Net Proceeds from the sale, no repayment will be required of the homebuyer and the balance of the loan shall be forgiven:

$$\left(\frac{\text{HOME investment}}{\text{HOME investment} + \text{homeowner investment}} \right) \times \text{net proceeds} = \text{HOME amount to be recaptured}$$

$$\left(\frac{\text{Homeowner investment}}{\text{HOME investment} + \text{homeowner investment}} \right) \times \text{net proceeds} = \text{amount to homeowner}$$

C. The household can sell the unit to any willing buyer at any price.

D. In the event that the assisted property is rented or leased, or otherwise ceases to be the principal residence of the initial household, the entire HOME investment is subject to recapture.

E. In the event of sale to a subsequent low-income purchaser of a HOME-assisted homeownership unit, the low-income purchaser may assume the existing HOME loan and recapture obligation entered into by the original buyer if no additional HOME assistance is provided to the subsequent homebuyer. In cases in which the subsequent homebuyer needs HOME assistance in excess of the balance of the original HOME loan, the HOME subsidy (the direct subsidy as described in §92.254) to the original homebuyer must be recaptured. A separate HOME subsidy must be provided to the new homebuyer, and a new affordability period must be established based on that assistance to the buyer.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

In certain limited instances, TDHCA may choose to utilize the resale provision at 24 CFR §92.254(a)(5)(i) under any program the State administers that is subject to this provision. The following method of resale would be acceptable to TDHCA and will be identified in the note prior to closing:

A. Resale is defined as the continuation of the affordability period upon the sale or transfer, rental or lease, refinancing, or if the initial Household is not longer occupying the property as their Principal Residence.

B. Resale requirements must ensure that, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the housing is made available for subsequent purchase at an affordable price to a reasonable range of low- or very low-income homebuyers that will use the property as their principal residence. Affordable to a reasonable range of low-income buyers is defined as targeting Households that have income between 70 and 80 percent of the area median family income and meet all program requirements.

C. The resale requirement must ensure that the price at resale provides the original HOME-assisted owner a fair return on investment. Fair return on investment is defined as the sum of down payment and closing costs paid from the initial seller's cash at purchase, closing costs paid by the seller at sale, the principal payments only made by the initial homebuyer in excess of the amount required by the loan, and any documented capital improvements in excess of \$500. Fair return on investment is paid to the seller at sale once first mortgage debt is paid and all other conditions of the initial written agreement are met. In the event there are no funds for fair return, then fair return does not exist. In the event there are partial funds for fair return, then fair return shall remain in force.

D. The initial homebuyer's investment of down payment and closing costs divided by TDHCA's

HOME investment equals the percentage of appreciated value that shall be paid to the initial homebuyer. The balance of appreciated value shall be paid to TDHCA. If appreciated value is zero, or less than zero, then no appreciated value exists. The HOME loan balance will be transferred to the subsequent buyer and the affordability period will remain in effect. The period of affordability is based on the total amount of HOME funds invested in the housing.

E. In the event that the assisted property is sold during the affordability period, rented or leased, or otherwise ceases to be the principal residence of the initial household, the entire HOME investment will become immediately due and payable if the property does not continue to meet the affordability requirements for the remainder of the affordability period.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds as described in 24 CFR §92.206(b). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 TAC, Chapter 10, for refinanced properties in accordance with its administrative rules. At a minimum, these rules require the following:

- that rehabilitation is the primary eligible activity for developments involving refinancing of existing debt;
- that a minimum funding level is set for rehabilitation on a per unit basis;
- that a review of management practices is required to demonstrate that disinvestments in the property has not occurred;
- that long-term needs of the project can be met;
- that the financial feasibility of the development will be maintained over an extended affordability period;
- that whether new investment is being made to maintain current affordable units and/or creates additional affordable units is stated;
- that the required period of affordability is specified;
- that the HOME funds may be used throughout the entire jurisdiction (except as TDHCA may be limited by the Texas Government Code) is specified; and
- that HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG, is stated.

Emergency Solutions Grant (ESG)

Reference 24 CFR 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

TDHCA requires that its subrecipients establish and implement written standards for providing ESG assistance. The minimum requirements regarding these standards are set forth in 24 CFR 576.400(e)(2) and (e)(3) and TDHCA reviews the standards to insure they meet these requirements.

A. Being a unit of general local government (or a combination of such units of local government approved by HUD) or private nonprofit organization.

B. Documenting that the proposed project, if a shelter, has the approval of the municipality in which the project will operate.

C. Assuring that ESG Subrecipients that are units of local general government obligate funds within 180 days from the date that TDHCA received the award letter from HUD.

D. Documentation of fiscal accountability.

E. Proposing to undertake only eligible activities.

F. Demonstrating need.

G. Assuring ability to provide matching funds in the funding categories awarded in their ESG contract. (The State may grant an exception to the match requirement of up to a total of \$100,000 each fiscal year.)

H. Demonstrating effectiveness in serving the homeless, including the ability to establish, maintain, and/or improve the self-sufficiency of homeless individuals.

I. Assuring that homeless individuals will be involved in the provision of services funded through ESG, to the maximum extent feasible, through employment, volunteerism, renovating, maintaining or operating facilities, and/or providing direct services to occupants of facilities assisted with ESG funds.

J. Assuring the operation of an adequate, sanitary, and safe homeless facility and good-faith administration of a policy designed to ensure that the homeless facility is free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

K. Assuring that it will develop and implement procedures to ensure the confidentiality of records of any individual receiving assistance as a result of family violence.

L. Assuring that all activities it undertakes with assistance under ESG are consistent with the State of Texas Consolidated Plan, the McKinney-Vento Homeless Assistance Act, and all other assurances and certifications.

M. Assuring the participation in the development and implementation, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly-funded institutions and systems of care to prevent such discharge from immediately resulting in homelessness for such persons. ESG funds are not to be used to assist such persons in place of State and local resources.

N. Assuring that it will meet HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.

O. Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary, and the renovation will assist homeless individuals in obtaining (1) appropriate supportive services, including permanent housing and other services essential for achieving independent living; and (2) other federal, state, local, and private assistance available for such individuals.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

TDHCA has contracted with a provider to promote the CoCs readiness for this requirement. To date, more of Texas' 11 CoCs have established centralized or coordinated assessment system in adherence with HUD's requirements and standards as published in the CoC program rule.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

For the purposes of distributing funds, the percentage of statewide homeless population is weighted at 75% while the percentage of the statewide population in poverty is weighted at 25%. Texas is moving toward noncompetitively funding the COC network. For its competitive awards, Texas releases a NOFA each spring in anticipation of receiving ESG funding. Applications are accepted for generally a 30-day period. Applications are scored and ranked within their CoC regions.

For competitive awards, eligible applicant organizations are units of general purpose local government (and combinations of units of general purpose local government recognized by HUD), including cities, counties and metropolitan cities and urban counties that receive ESG funds directly from HUD. Governmental organizations such as LMHAs, and PHAs are not eligible and cannot apply directly for ESG funds; however COGs, LMHAs, and PHAs may serve as a partner in a collaborative application but may not be the lead entity. For competitive awards, eligible applicants may be limited by NOFA.

Eligible Applicant organizations also include private nonprofit organizations that are secular or religious organizations described in section 501(c) of the Internal Revenue Code of 1986, are exempt from taxation under subtitle A of the Code, have an acceptable accounting system and a voluntary

board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

With the change in the rules so that homeless participation is not required on the boards of Subrecipient agencies, TDHCA will consult with CoC leaders and Subrecipient agencies to design a way to receive input from homeless or formerly homeless persons in considering policies and funding decisions regarding facilities and services funded under ESG.

5. Describe performance standards for evaluating ESG.

Organizations providing street outreach will be required to meet contractual performance targets for the number of persons to be assisted, the number of persons to be provided with case management, and the number of persons who will be placed in temporary, transitional or permanent housing.

Organizations providing emergency shelter and transitional shelter will be required to meet contractual performance targets for the number of persons to be assisted, the number of persons to be provided with case management, and the number of persons who will exit to temporary, transitional housing destinations or permanent housing destinations.

Organizations providing homelessness prevention and rapid re-housing assistance will be required to meet contractual performance targets for the number of persons to be assisted, the number of persons to be provided with housing stability case management services, the number of persons who will increase their non-cash benefits, the number of persons who will have an increase in income at program exit, and, for rapid re-housing, the number of persons who will exit to permanent housing destinations.

Discussion

For HOME, the State is not proposing to use any form of investment in its HOME Program that is not already listed as an eligible for investment in 24 CFR 92.205(b). As described above, TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds as described in 24 CFR §92.206(b). TDHCA shall use its underwriting and evaluation standards, site and development requirements, and application and submission requirements found in 10 Texas Administrative Code, Chapter 10, for refinanced properties in accordance with its administrative rules.

For ESG, performance standards for evaluation are separated by the following activities: street outreach; emergency shelter and transitional shelter; and homelessness prevention and rapid re-housing assistance. These standards are included in each ESG Subrecipients annual contractual agreement with TDHCA.

Attachment A:

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2016 OYAP Public Comment Summary and Reasoned Responses

Following the release of the Draft 2016 OYAP, the Public Comment period was open from October 19, 2015, through November 19, 2015, and a public hearing was held on November 16, 2015 in Austin, TX. The State received 18 total comments from the following 4 organizations: Amazing Grants, Inc., MET, Inc., SafePlace, and Lifeworks. A summary of the comments received and reasoned responses are provided below.

1. One comment requested an increase in the portion of ESG funds used for homelessness prevention funds, supported by a three percent difference between what TDHCA had committed to the activity and what was actually spent in this activity, as indicated in the Past Performance review on page 4 of the 2016 OYAP.

Staff response: No changes were made to the OYAP as a result of this comment. Staff agrees that, like all of the ESG expenditure categories, there is large need for homelessness prevention. Currently, the funding activity for homelessness prevention is determined by the subrecipients and their indication as to how much of that activity is needed in their communities. To determine whether the variance was an anomaly or whether such a change in the program is needed, the Department will include a question regarding a program change in its annual program consultation survey. The current goal that 36% of ESG funds be used for homelessness prevention will not change at this time.

2. One comment asked for a reduction in the complexities of the homelessness prevention activity. Specifically, the commenter stated that the rental assistance agreement between the property manager and the Emergency Solutions Grants (ESG) Program is difficult since the property managers viewed this rental assistance agreement like a second lease. Commenter suggests that the Rental Assistance Form be revised to be distinctly differentiated from a lease, or include a statement that the original lease will not be overridden.

Staff response: No changes were made to the OYAP as a result of this comment. The rental assistance agreement between the subrecipient and owner is required by federal statute. The ESG requirement of a rental assistance agreement, 24 Code of Federal Regulations (C.F.R) §576.106(e) states that “the rental assistance payments [may be made] only to an owner with whom the recipient or subrecipient has entered into a rental assistance agreement”. The Rental Assistance Agreement provided by TDHCA already states in bold: “Please note: The Rental Assistance Agreement does not take the place of the lease between the landlord and the tenant.” TDHCA will review and may accept a subrecipient-created form as long as the form includes the required information.

3. One comment noted that, due to the complexities of the homelessness prevention activity, the subrecipient was only using the ESG funds for utilities.

Staff response: No changes were made to the OYAP as a result of this comment. TDHCA encourages subrecipients to partner with local organizations that can provide resources for their clients. If a subrecipient primarily provides utility assistance for homelessness prevention, TDHCA encourages the subrecipient to partner with a Comprehensive Energy Assistance Program (“CEAP”) provider in its area. For TDHCA, in SFY 2014, CEAP provided \$126,594,230 in utility assistance, whereas in SFY 2014 ESG provided \$6,605,383 in outreach, shelter, homelessness prevention and rapid re-housing. The use of other community resources, especially for utilities, is highly encouraged in order to allow the ESG funds to be used most efficiently. TDHCA ESG staff is available to provide technical assistance to any subrecipient with questions about homelessness prevention activity requirements.

4. One comment stated that direct funding to Continua of Care (“CoCs”) would create more competition in respective communities, as well as more of a planning burden.

Staff response: No changes were made to the OYAP as a result of this comment. Staff respectfully disagrees that the direct funding of CoCs would create more competition. The competition among local providers for limited ESG funds should remain the same regardless of whether the local agencies submit applications to TDHCA directly or to the CoCs. In regards to the comment relating to a local competition adding to the planning burden, staff concurs to some extent that community-wide planning may be needed to coordinate ESG funding through the CoC. However, this additional planning should be able to be leveraged with the process used for awarding federal CoC funds (including the use of the same CoC Independent Review Team as necessary), more strongly promotes local CoC engagement which is strongly encouraged by HUD, and will potentially result in more efficient use of funds.

5. One comment requested to see the results from the CoC pilots listed in the One Year Action Plan.

Staff response: No changes were made to the OYAP as a result of this comment. The One Year Action Plan is a plan of the next fiscal year, and is not the appropriate HUD document in which to report on prior year program results. Staff will make an effort to include results from the CoC pilots in the Consolidated Annual Performance Evaluation Report (“CAPER”), which will be released for public comment in the spring of 2016.

6. One comment was in appreciation of expanding the at-risk of homelessness definition to include persons who are in transitional housing as having characteristics associated with instability and an increased risk of homelessness. This inclusion would allow persons who are in transitional

housing to be eligible for Homelessness Prevention funds, if they also met the other eligibility requirements.

Staff response: No changes were made to the OYAP as a result of this comment. Staff acknowledges this comment and appreciates the affirmation of the policy.

7. One comment stressed the importance of transitional housing for domestic violence survivors, and the need to qualify clients in transitional housing as homeless so the clients could qualify for temporary supportive services available to people who are considered homeless. There has been a push in ESG to change Transitional Housing to Rapid Re-housing, but clients of Rapid Re-housing are not considered homeless.

Staff responses: No changes were made to the OYAP as a result of this comment. The HUD summary for the ESG interim rules states: “The change in the program’s name, from Emergency Shelter Grants to Emergency Solutions Grants, reflects the change in the program’s focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness”

[\(https://www.hudexchange.info/resource/1927/hearth-esg-program-and-consolidated-plan-conforming-amendments/\)](https://www.hudexchange.info/resource/1927/hearth-esg-program-and-consolidated-plan-conforming-amendments/). ESG clients receiving Rapid Re-housing will have leases and will not be considered homeless, but they can still access certain services under 24 CFR §576.105, such as housing stability and case management.

8. One comment requested that undocumented persons be categorized as a special needs group in the One Year Action Plan. The commenter requested that the ESG applicants who propose to serve undocumented persons also receive those additional points because undocumented persons are highly vulnerable to violence. The commenter noted that federal welfare reform legislation mandates that undocumented persons cannot be turned away from emergency and short-term shelter and supports. However, the undocumented status disqualifies these persons for many other needed social services.

Staff response: No changes were made to the OYAP as a result of this comment. ESG subrecipients are not required to verify an applicant’s status as a qualified alien before providing assistance. Adding undocumented persons as a special needs population would mean that providers would openly start identifying individuals who might not want to be identified as such, potentially influencing this population not seek services.

9. One comment was in appreciation of the uses of ESG Program activities aligning with HUD activities.

Staff response: No changes were made to the OYAP as a result of this comment. Staff acknowledges this comment and appreciates the affirmation of the policy.

10. One comment was in appreciation of the TDHCA's commitment to providing information and technical assistance related to lead-based paint regulations.

Staff response: No changes were made to the OYAP as a result of this comment. Staff acknowledges this comment and appreciates the affirmation of the policy.

11. One comment requests the inclusion in the OYAP regarding domestic violence programs being able to use a comparable database other than the Homeless Management Information System ("HMIS"), per HUD guidance. The use of a comparable database will protect information of victims of domestic violence, dating violence, sexual assault, or stalking.

Staff response: Staff acknowledges this comment and has made the following clarification to the OYAP. Under the OYAP writing prompt: "Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS," staff has added: "TDHCA acknowledges that domestic violence programs may use a comparable database per the Violence Against Women Act and HUD guidance.."

12. One comment notes the federal rule change that no longer requires homeless and/or formerly homeless individuals to serve on the Board of Directors of subrecipient agencies. The commenter would support the decision to invite homeless and/or formerly homeless individuals to serve on the Board of Directors, since their feedback is invaluable to the ESG Program.

Staff response: No changes were made to the OYAP as a result of this comment. TDHCA acknowledges the value of including clients in the planning process of its programs and supports subrecipients who pursue such board composition. The 24 CFR §576.405 provisions requiring homeless participation on boards or in an advisory capacity do not apply to a recipient that is a State, and TDHCA opted in 2015 not to pass this requirement to its subrecipients. However, the 2015 ESG Notice of Funding Availability ("NOFA") noted, "to the maximum extent practicable, Subrecipients should involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted with ESG." TDHCA anticipates opting not to pass along the requirement to its subrecipients for the 2016 NOFA. The federal rule change does not

prohibit homeless and/or formerly homeless individuals from serving on the Board of Directors of subrecipient agencies, so subrecipient agencies may still include this population on their boards.

13. One comment requests that domestic violence programs have at least three months' notice of any changes from TDHCA's Community Affairs central database reporting to the HMIS or comparable database reporting for the CAPER.

Staff response: No changes were made to the OYAP as a result of this comment. The U.S. Department of Housing and Urban Development ("HUD") has changed reporting requirements for the CAPER for screen CR-65, Persons Assisted, starting in 2016. Instead of manually inputting data into tables provided by HUD, HUD requires that recipients upload HMIS or comparable database files directly into the Integrated Disbursement and Information System ("IDIS"). TDHCA is in the process of submitting an exception request to HUD postponing the reporting requirement for the 2016 CAPER. TDHCA is in the process of creating a plan to shift the manner in which subrecipients report HMIS or comparable database data for the 2017 CAPER. Once that plan is in place, TDHCA will provide notice to its subrecipients on the reporting requirements.

14. One comment was a request that the Department implement recommendations from Bowen National Research's *Texas Rural Farmworker Housing Analysis*.

Staff response: No changes were made to the OYAP as a result of this comment. Many of the recommendations provided in the study would require additional sources of funding or funding with fewer federal restrictions, such as large state funded rental assistance or predevelopment loan programs. The Department remains open to implementing recommendations reflected in the study, but the Department does not have the available resources to carry out many of the recommendations. As is evident in the study, the majority of the best practices highlighted from other states rely on large sources of state funding. The Department, instead, has identified farmworkers as a special needs population to facilitate accessing available affordable housing resources funded and developed through the Department's programs.

15. One comment suggested that that farmworkers are not benefitting from being included as a special needs group within the HOME program and it was also recommended to aggressively outreach to the farmworker population, in order to serve more individuals who are often viewed as an invisible population and do not step forward to take advantage of social services or other programs.

Staff response: No changes were made to the OYAP as a result of this comment. The recommendations made are more appropriately addressed by the Department's

rulemaking process for the specific funding source from which the commenter would like outreach performed.

16. One comment was a recommendation that HOME funding cycles and other TDHCA funding cycles correspond with U.S. Department of Agriculture (“USDA”) funding cycles for farmworker housing. This recommendation was specifically in regards to the USDA farm labor housing and rental assistance (Section 514, 516 and 523) in order to leverage HOME funds, showing commitment of other funding sources, which is required within one year of USDA approval. The commenter cites California, Florida, Washington, and Oregon which have state grant and loan programs specifically to work with Section 514/516.

Staff response: The Department’s rules and OYAP do not impose restrictions that preclude the Department from having a cycle that aligns with funding cycles of other federal programs, such as the USDA 514, 516 and 523 programs. However, the Department has little control over the timing of HUD’s provision of HOME funding to the Department or the timeframes associated with other federal programs not administered by the Department. Still, the Department generally endeavors to make HOME program funding available through open cycle Notices of Funding Availability (“NOFA”) so that HOME funding can be effectively leveraged with other sources of funds.

17. One comment was a question asking if there will be any data gathering for farmworkers, as referenced in the 2015-2019 State of Texas Consolidated Plan.

Staff response: No changes were made to the OYAP as a result of this comment. TDHCA continues to collect farmworker data through a voluntary process and HOME grantees are not required to solicit an individual’s status as a farmworker or non-farmworker.

18. One commenter stated concerns regarding the decrease in funding for the STEP funding category in the CDBG program, including several examples of communities with water needs that could be met through the program.

Staff response: TDA recognizes the value of the STEP fund for communities that are committed to self-help methods to addressing water system issues. The decrease in funding reflects both a decrease in the overall TxCDBG funding, as well as the recent participation level in the STEP fund. Because STEP funded projects are challenging and require the right project in a community with committed volunteers, the STEP funding has been underutilized in recent years. Therefore, TDA has set aside a smaller amount of funds for this category in Program year 2016.

Public Comments Submitted

Amazing Grants, Inc.

Lifeworks

MET, Inc.

SafePlace

Amazing Grants, Inc.
P.O. Box 717 (mailing)
104 E. Gilmer Street (physical)
Big Sandy, TX 75755
Phone: 903-636-5500
Fax: 903-636-4276
Email:
marykay@amazinggrants.com



October 29, 2015

Ms. Suzanne Barnard
State Director, CDBG
Texas Department of Agriculture
P. O. Box 12847
Austin, TX 78711

RE: Small Towns Environment Program

Suzanne,

I have serious concerns over the proposed decrease in funding available for STEP projects through the CDBG program. Generally speaking, STEP project beneficiaries are the lowest of the low income. A substantial decrease in the funding will be devastating to the poorest of the poor, particularly in some of the most outlying areas of our counties.

In some of our counties that we regularly work with, there are as many as twelve water supply corporations vying for CDBG dollars. These WSC's have lines that were installed in the 1960's, some of which are one-inch and literally reduce water to a trickle by the time it reaches homes. In the neighborhoods adjacent to these homes, who already must coordinate with one another to be able to wash clothes and bathe, are homes that have no water. And, until the WSC replaces the existing lines with larger lines, they are prohibited by TCEQ from providing water to those homes. Even if it were an option, most in these rural areas cannot afford to pay the membership and tap fees. The STEP program has provided an avenue for these Texans to do what they do best: work hard and do whatever is needed to bring water to their homes and improve their quality of life.

My office receives calls daily from people who are desperate for water. I just want to share a couple of their stories with you:

One of our most recently completed STEP projects provided first-time water to homes primarily occupied by fixed income retirees who lived in tiny homes, not because they are fashionable these days, but because it is what they could afford. Volunteers chose the first home to install water service, and it was an elderly man undergoing chemotherapy. The volunteers cheered when they realized they had successfully run water in front of his home. The moment was captured on film, and I have attached a copy.

Another recent STEP project brought water to an area whose wells dried up due to the drought. Some residents still had water, but it was neon orange. It was certainly not fit for consumption. It couldn't even be used to wash clothes, as it would stain them. I have also attached a picture of the water available to residents of this community prior to the completion of the STEP project.

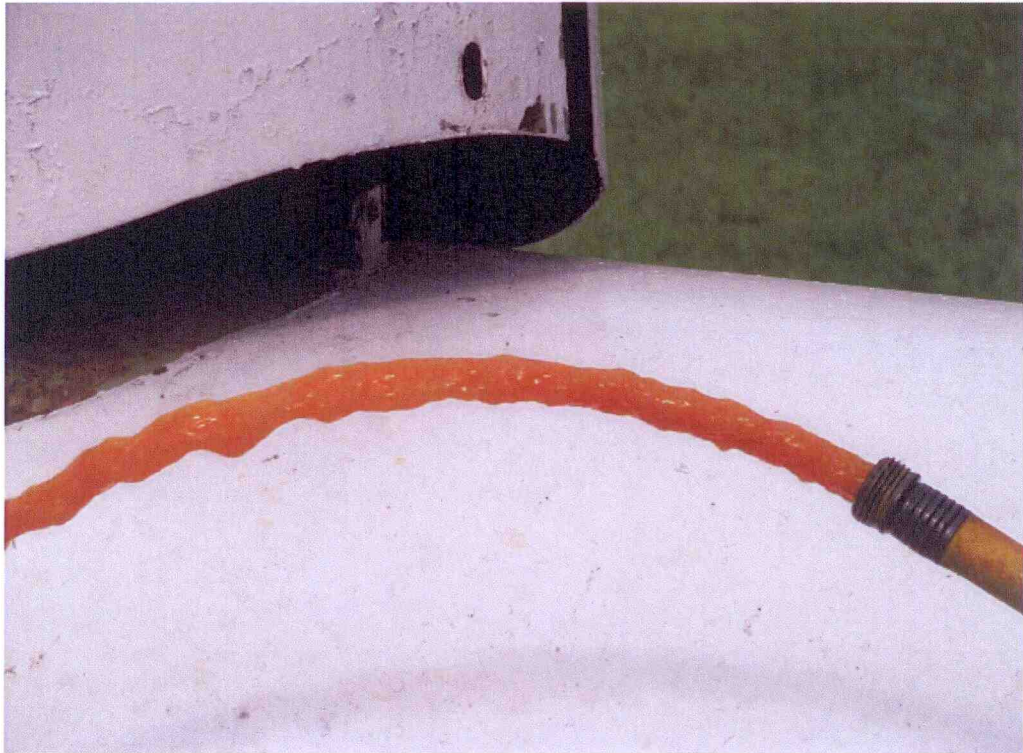
The rules of water use and ownership are changing rapidly. Water has become the new gold. Even the use of water on one's own property is currently being debated. Between this fact and the recent drought, it has become more imperative than ever to ensure that a potable water source is available to as many households as possible, and STEP funding fills much a needed gap in program availability and opportunities to do so.

Some localities (and their consultants) show little interest in participating in the STEP program. There are a couple of reasons for this. For one, it takes effort. It's not just "free money" or "free treats." It takes commitment on behalf of the community and the consultant. Also, we all know that elected officials love road projects, but we also know that this is because road repairs are the most visible to constituents. What people don't often see is the number of their neighbors without a dependable water supply and what that means for their livelihood. Fortunately, the Texas Department of Agriculture has, in the past, seen the need to continue to provide much needed infrastructure to rural communities. One of your very own representatives recently told a group of potential volunteers at a STEP community meeting that "Rural communities are the lifeblood of Texas agriculture." I only hope that this vision continues into the future.

The bottom line is that the STEP program is one of TDA's greatest success stories. It may not be the most celebrated or sought after, but those who receive the benefits of the program are by far the most in need of assistance and the most grateful.

Sincerely,


Mary Kay Thomas





From: Natalie Metzger-Smit [natalie.metzger-smit@lifeworksaustin.org]
Sent: Thursday, November 19, 2015 1:43 PM
To: info
Cc: Peg Gavin; marianasalazar@austinecho.org; Erin Whelan
Subject: LifeWorks Comments re: Draft 2016 One-Year Action Plan

Good afternoon,

Thank you for the opportunity to comment on the Draft 2016 One-Year Action Plan. Our comments are in specific response to the language that would allow the use of ESG Homelessness Prevention funds for persons who meet the [at-risk of homelessness](#) definition AND who are in transitional housing.

LifeWorks supports the expansion of ESG Homeless Prevention Funds to include those who reside in transitional housing. Although we currently do not receive ESG funds for Homelessness Prevention, thus no immediate impact is felt, given this change we would consider applying for these funds in future years. At this time approximately 93% of clients we serve meet the Literally Homeless definition, versus 7% who meet the At-Risk of Homelessness definition. We anticipate that approximately 9% would benefit from this change.

LifeWorks applauds any expansion of eligibility that widens the resources clients can access to obtain housing. In such instances where the client is exiting our Transitional Living Program and needs subsidized housing, although they meet the income and situational guidelines of “at-risk of homelessness” definition, they could not access Homeless Prevention funds that provide support for housing, case management or other supportive services. Expansion of this definition to include transitional housing allows clients to access funds for housing where they otherwise may be homeless.

Thank you again for the opportunity to comment. Feel free to contact me directly with any questions.

Natalie Metzger-Smit | Grants and Contracts Manager
[LifeWorks](#), Empowering Self-Sufficiency

3700 S. 1st Street | Austin, TX 78704
O - 512.735.2466 | F - 512.735.2452



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motivation education & training, inc.

Austin Office
1811 West 38th Street
Austin TX 78731 Telephone:
512-965-0101 Fax
number : 512-374-1657

November 19, 2015

Mr. Tim Irvine
Texas Department of Housing and Community Affairs
PO Box 13941
Austin, TX 78711-3941

RE: Comments related to the *Draft 2016 State of Texas One-Year Action Plan*

Dear Mr. Irvine,

We appreciate the opportunity to comment on TDHCA's *Draft 2016 State of Texas Consolidated Plan*. Motivation Education & Training, Inc. MET is a private nonprofit 501(c)(3) organization funded by a variety of public and private grants and contracts. MET was incorporated in 1967 and operates on a statewide basis in Texas. The organization was founded for the purpose of providing academic and vocational training to migrant and seasonal farm workers, with the objective of furthering economic self-sufficiency for MET participants. MET has conducted programs to improve farmworkers' housing situations since the 1970's.

As described in Bowen National Research's *Texas Rural Farmworker Housing Analysis* (September 2012) needs assessment section, all farmworkers including non-migrant seasonal workers, live in "run-down apartments, overcrowded conditions, families forced to share limited housing, and families living in shacks, barns, outdated trailers or camping along riverbanks or in orchards" (page 52). Therefore, directing TDHCA programs and resources to farmworkers is very important.

It is vital that TDHCA spearhead implementing the recommendations cited in the *Texas Rural Farmworker Housing Analysis* to improve farmworker housing options, and provide leadership to bring recommendations into fruition in the state.

Once again a review of the Annual Progress Reports to HUD show that *farmworkers are not benefitting* from being included as a special needs group within the HOME program. Only 16 farmworkers have been served from these programs since 2005! (See the attached summary of past Annual Progress Reports). The sixteen farmworkers (only *one* in 2014) represents only 0.12% of the 12,833 persons with special needs served by the agency – a truly pathetic accomplishment.

We recommend HOME funding and other TDHCA programs give special attention to providing leverage to USDA funding and rental assistance from Section 514, 516, and 523. Committed leverage funding is a significant scoring factor for farm labor housing applications (Section 514/516) that are competitively scored nationally, and come with rental assistance (Section 523). Applications need to show funding approvals prior to application submittals to USDA and firm funding commitments within one year of USDA approval. Thus timetables must work together and the agency needs to be ready to attract this precious federal funding to Texas.

In recent years Texas applicants have been at a disadvantage in competing nationally for these funds. California, Florida, Washington, and Oregon all have state grant and loan programs geared to work specifically with Section 514/516. Although Texas ranks second among states in the number of farmworkers, Texas applicants have not had ready access to TDHCA resources to attract Section 514/516 to the state.

Predevelopment funding is often lacking. Early commitments are essential.

Missing from the draft *Plan*, is any indication that that TDHCA will to gather data on farmworkers, as was indicated in the five year plan. Will there be any data gathering or outreach activities for farmworkers?

Better outreach is needed to the farmworker population in order to assist more than a handful of members of the farmworker population. Studies show farmworkers are often an invisible population and do not step forward to take advantage of social services or other programs. Aggressive outreach is needed.

Thank you for the opportunity to comment. Please contact me if you have any questions or need clarification on any of these suggestions. MET would be happy to continue to work with TDHCA on these or other initiatives that benefit Texas farmworkers. We appreciate the efforts the Department has made to learn more about farmworker housing needs. We need to continuing working together to get past investigative stages. We need to work harder to actualize programs that truly improve housing options for the state's farmworker population.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Tyler". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kathy Tyler
Housing Services Director

Migrant Farmworkers Served Annually - as part of HOME Special Needs Population

Prepared by MET Inc using State of Texas Consolidated Plan Annual Performance Reports (CAPERs) accessed from TDHCA website

*"In the One Year Action Plan, TDHCA had a goal of allocating a minimum of 20 percent of the annual HOME allocation to applicants serving persons with special needs. Persons with "special needs" include homeless persons, elderly persons, persons with disabilities, persons with AIDS and AIDS-related diseases, victims of domestic violence, persons with alcohol and/or drug addictions, colonia residents, and **farmworkers**. Eligible applicants include nonprofits, units of general local government, and PHAs with documented histories of working with special needs populations. Eligible activities include homebuyer assistance, homeowner rehabilitation, and tenant-based rental assistance."* (italics and bold added)

Reporting on Program Year	Total Special Needs Population	Migrant Farmworkers	(Farmworkers to All Special Needs)	Report Dated
2005	2,142	2	0.09%	April 2006
2006	2,361	6	0.25%	April 2007
2007	2,464	1	0.04%	April 2008
2008	1,296	2	0.15%	April 2009
2009	382	0	0.00%	April 2010
2010	463	4	0.86%	April 2011
2011	1,014	0	0.00%	May 2012
2012	1,426	0	0.00%	May 2013
2013	721	0	0.00%	May 2014
2014	614	1	0.16%	Jan 2015
	12,883	16	0.12%	

MET's Recommendations:

1. Give program preferences to farmworkers and give funding timetables to attract federal funds
2. Improve outreach to farmworkers
3. Improve tracking of farmworkers served



A Partner Agency of SAFE

The SAFE Alliance | P.O. Box 19454, Austin, TX 78760
512.267.SAFE (7233) | 512.385.0662 (fax) | safeplace.org
For Deaf/HH/Deaf-Blind community, please use relay/VRS

November 10, 2015

RE: Response to DRAFT 2016 State of Texas Consolidated Plan One-Year Action Plan

Dear State of Texas Housing and Health Directors:

SafePlace appreciates the opportunity to provide comments and feedback on the 2016 State of Texas Consolidated Plan One-Year Action Plan (OYAP) in regard to the Emergency Solutions Grants Program (ESGP). We are a current recipient of the ESGP through a subcontract with Youth and Family Alliance, dba LifeWorks. Since 1974, SafePlace has served women, children and men in Austin/Travis County who have experienced domestic and sexual violence, and often poverty and homelessness. Our services include: a 105-bed emergency family Shelter; 51 transitional housing apartments; a 24-hour crisis Hotline; case management; Life Skills classes; therapeutic counseling; and outreach, education, training and violence prevention programs in schools and the greater community. In 2014, 4,980 people received direct services, 12,482 hotline calls were answered, and 31,778 people participated in trainings, presentations, or awareness-raising activities from SafePlace. Our mission is to lead in ending sexual assault and exploitation and domestic violence through prevention, intervention and advocacy for change.

SafePlace is a longtime recipient of both direct and subcontracted ESGP funding, and we have focused our comments solely on this program. As mentioned, SafePlace is currently a sub-recipient of ESG funding through Youth and Family Alliance, dba LifeWorks, a local 501 (c)(3) agency that provides comprehensive services to youth and young adults seeking their path to self-sufficiency. We currently use ESG funds to support Emergency Shelter, Homelessness Prevention, and Rapid Rehousing activities.

Below, you will find the selected ESGP categories from the OYAP for which we chose to respond (in bold) and our corresponding comments. Thank you in advance for taking the time to review and consider our feedback.

ESG Performance Measures and Funds Expended

Although ESG expenditures show limited disparities, we feel that the three percent difference in what the State committed for homelessness prevention (HP) verse the actual homelessness prevention activity in Texas represents a need for increased funding in this category. Spending the Homeless Prevention Funds has been challenging for our organization. Often, clients have several months of past due rent. The cost to keep the client housed is high, and a large number of these clients need continuous financial support after their housing has been secured, mostly to address utility debt. While most property managers cooperate with case managers to stop an eviction in process, many are reluctant or refuse to cooperate due to the cost of court-filing fees that they've already had to pay.

Many property managers are also reluctant to enter an ESGP Rental Assistance Agreement with us on behalf of the client, viewing it as a second "lease" that would somehow void the original lease between the tenant (client) and the property. In response to this, we would like to suggest that the Rental Assistance form be revised to be distinctly differentiated from a lease, or at least to include a statement that the Agreement does not override the general terms of the original lease.

Due to these complexities, we have limited our use of HP funds to assisting clients with utility deposits and payments only. If the complexities were removed, we would access homelessness prevention funds for other items, such as rental assistance.



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CoC Coordination of ESG funds

We were able to identify what we perceive as both positive and negative outcomes of this proposed change, and therefore appreciate that the State will continue to consult with agencies, groups and organizations throughout the public comment period. The pros and cons that we identified consist of the following:

Pro: This arrangement will allow more local oversight of the ESG Program, resulting in increased community coordination of the funds and the corresponding services.

Con: This system may create more competition in respective communities, as well as more of a planning burden (i.e., two IRT presentations).

We would like to see a summary of the results from the CoC pilots listed in the OYAP. We feel that Texas ESGP recipients could greatly benefit from the examples.

Use of Funds and Expected Amount Available

We appreciate that ESG funds can be used for conversion and rehabilitation for transitional housing and for transitional housing assistance. We recognize the push to change Transitional Housing into Rapid Rehousing, however, transitional housing continues to be the best option for many domestic violence survivors. The Transitional Housing model has proven highly successful for our client base. We believe this success is due to the reality that transitional housing offers the time and support services needed to address the **legal** and **safety** needs of individuals and families whose homelessness has been caused by family violence. These individuals and families are also provided the opportunity to learn and practice their individualized safety plans--a set of protocols that domestic violence survivors and their children put in place to address their safety needs and reduce their danger. We believe that providing a secure transitional living environment for survivors while they address these vital safety measures is imperative. Due to the instability that fleeing domestic violence causes, families fleeing domestic violence need temporary supportive services that are available to people who are considered homeless: according to HUD definitions, families living in transitional housing maintain a homeless status, while those living in RRH are considered permanently housed, thus limiting the programs and services for which they would otherwise qualify.

ESG Serves Special Needs

We appreciate that the ESG program acknowledges special needs populations and provides eligible points for applicants who serve persons with high barriers. Among those we serve with high barriers are those who are undocumented. Undocumented persons are highly vulnerable to violence and often seek emergency shelter services. Although Federal welfare reform legislation mandates that undocumented persons cannot be turned away from emergency and short-term shelter programs, their undocumented status disqualifies them for many other needed social services. Therefore, we would like to see this classification included in the special needs category of the OYAP.

Broadened Use of ESG Funds

We appreciate that ESG Program activities are in alignment with HUD activities.



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ESG Lead-Based Paint

We appreciate TDHCA's commitment to providing information and technical assistance related to lead-based paint regulations. Often, habitations built before 1978 are all that are available for housing, so we are strongly committed to informing families of the hazards that lead-based paint could cause to their families, especially to children and seniors.

ESG Program-Specific Requirements

One of the Program specific requirements listed in the OYAP is as follows: *Assuring that it will meet HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.* Due to legal mandates under the Violence Against Women Act and the Family Violence Prevention Services Act (FVPSA), domestic violence agencies are prohibited from entering data into HMIS and are thus required to maintain a comparable database to collect and report client-level data. The legislation mentioned above has strict requirements regarding client confidentiality. We would like to see the TDHCA include a clause about domestic violence programs and HMIS prohibition in this section of the OYAP.

We would also like to comment on the rule change in regard to homeless participation on sub-recipient Boards. Although it is no longer a requirement for homeless and/or formerly homeless individuals to serve on the Board of Directors of sub-recipient agencies, we appreciate that this population will still be able to provide input regarding the ESG program. We also support the decision, if it were made, to invite them back to serving on sub-recipient boards, since their feedback is invaluable to the ESG program.

If you have questions or need clarification regarding any of our feedback, please feel free to contact me at mcantu@safeaustin.org or 512-356-1614.

Thank you,

A handwritten signature in blue ink that reads "Melinda Cantu".

Melinda Cantu
SafePlace Executive Director

From: [Hosie Washington](#)
To: [info](#)
Cc: [Melinda Cantu](#)
Subject: RE: Response to Draft 2016 State of Texas Consolidated Plan OYAP from SafePlace, Austin, TX
Date: Monday, November 16, 2015 3:33:07 PM
Attachments: [image001.png](#)
[image002.png](#)
[Submitted OYAP Public Comment 2016.pdf](#)

Good afternoon,

We originally submitted the attached comments on November 10. Please accept the text below as an additional comment from our agency:

Domestic violence programs, per the Violence Against Women Act, cannot use the Homeless Management Information System (HMIS) and must have a comparable database. We understand that HUD has changed the format of the ESG CAPER. We have a recommendation that any programs using comparable databases receive at least three months' notice of any reporting changes in order to have sufficient time to produce required data. While local CoCs support the administration of HMIS, agencies using a comparable database need sufficient time to do the programming necessary to create comparable reports. We appreciate TDHCA's consideration of the special needs of grantees who do not directly enter information into HMIS due to statutory requirements.

Thanks again for giving us the opportunity to provide feedback about this important work. Please feel free to contact us with questions.

Sincerely,

| hosie washington, governmental grants coordinator | on behalf of

| Melinda Cantu, Executive Director, SafePlace| the SAFE alliance| office
512.356.1614 | <http://safeaustin.org>

24-hr Hotline: 512.267.SAFE (7233) | for Deaf people of all identities, please use relay/VRS

SAFE | stop abuse for everyone

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From: Hosie Washington
Sent: Tuesday, November 10, 2015 2:49 PM
To: 'info@tdhca.state.tx.us'
Cc: Wendie Abramson; Melinda Cantu
Subject: Response to Draft 2016 State of Texas Consolidated Plan OYAP from SafePlace, Austin, TX

Texas Department of Housing and Community Affairs

Attn: Housing Resource Center

P.O. Box 13941

Austin, TX 78711-3941

November 10, 2015

Good afternoon,

In response to the request for public comment on the Draft 2016 State of Texas Consolidated Plan One-Year Action Plan (OYAP), please see the attached letter from our agency's Executive Director.

Thank you for giving us the opportunity to provide feedback about this important work. Please feel free to contact us with questions.

Sincerely,

| hosie washington, governmental grants coordinator | the SAFE alliance

| office 512.356.1659 | <http://safeaustin.org>

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Attachment B

Texas CDBG Local Revolving Loan Funds

Texas CDBG Local Revolving Loan Funds

Administering Entity	Amount not reported in previous Action Plan	Expected Amount Available this program year	Account Type	Activity Type	National Objective
Childress	\$13,959.32		RLF	18A EconDev	LMJ
Copperas Cove	\$38,520.00	\$38,520.00	RLF	18A EconDev	LMJ
Cuero	\$5,321.64		RLF	18A EconDev	LMJ
Franklin County	\$19,818.08		RLF	18A EconDev	LMJ
Gonzales County	\$66,489.68	\$66,489.68	RLF	18A EconDev	LMJ
Memphis	\$48,804.00	\$48,804.00	RLF	18A EconDev	LMJ
Nacogdoches	\$59,069.88	\$59,069.88	RLF	18A EconDev	LMJ
Naples	\$46,646.76	\$46,646.76	RLF	18A EconDev	LMJ
Schulenburg	\$23,645.56		RLF	18A EconDev	LMJ
Swisher County	\$104,050.66	\$104,050.44	RLF	18A EconDev	LMJ
Tulia	\$45,722.88	\$45,722.88	RLF	18A EconDev	LMJ
San Juan	\$17,560.24		RLF	18A EconDev	LMJ
Palestine	\$235.56		RLF	18A EconDev	LMJ
San Marcos	\$6,000.00		RLF	18A EconDev	LMJ
Three Rivers	\$24,127.56		RLF	18A EconDev	LMJ

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BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on the 2016 Section 8 Payment Standards for Housing Choice Voucher Program (“HCVP”) for additional service areas.

RECOMMENDED ACTION

WHEREAS, the Department is designated as a Public Housing Authority (“PHA”) and operates a HCVP;

WHEREAS, 24 CFR §982.503 requires PHAs to establish Payment Standards annually for areas served by its vouchers;

WHEREAS, on November 12, 2015, the Board approved 2016 Section 8 Payment Standards for 28 areas captured within the Department’s jurisdiction;

WHEREAS, on April 12, 2015, the Board authorized the Department to offer to HUD to absorb the vouchers operated by the Alamo Area of Council of Government (“AACOG”) and on December 2, 2015, HUD authorized such transfer; and

WHEREAS, Payment Standards for the areas previously administered by AACOG were not approved with the November 2015 board action item, because HUD authorization had not yet been provided, but 2016 Payment Standards are now required:

NOW, therefore, it is hereby

RESOLVED, that 2016 HCVP Payment Standards for the Department’s additional service areas previously covered by AACOG and as identified in this item in its role as a PHA, and in accordance with 24 CFR §982.505, are hereby approved in the form presented to this meeting.

BACKGROUND

The U.S. Department of Housing and Urban Development (“HUD”) requires PHAs, such as the Texas Department of Housing and Community Affairs (the “Department”) to annually adopt a payment standard schedule that establishes voucher payment standard amounts for each Fair Market Rent (“FMR”) area in the PHA jurisdiction. The PHA must establish payment standard amounts for each “unit size,” defined as the number of bedrooms (one-bedroom, two-bedrooms, etc.) in each housing unit.

The Department, operating as a PHA, may establish the payment standard amount at any level between 90% and 110% of the published FMR for that unit size. The establishment of the standard

2016 Voucher Payment Standards

is important because it essentially determines whether a household will be able to find a unit they can afford with the voucher. In areas where market rents are high and there is high demand for rental units it can be challenging for a voucher holder to find a unit. Increased FMRs will aid in areas where voucher holders have had difficulty in finding acceptable units or affording units in more desirable areas. Higher FMRs provide additional choices and opportunities to tenants in highly competitive rental markets.

The importance of making sure a household's voucher actually provides enough assistance to house them is balanced with the importance of making sure recipients of vouchers are not over-subsidized. Providing more assistance per household than is truly needed to find a decent, safe affordable housing unit means fewer total households can be assisted. It is through these payment standards that the balance is established.

Updated Information from the November 2015 Board Item

The Department currently operates its HCVP in 20 counties. In some counties there may be multiple payment standards. On November 12, 2015, the Board authorized 2016 Payment Standards for 28 distinct areas within those counties. At that time, the Department was in discussion with HUD to absorb the vouchers operated by AACOG, but had not yet been authorized by HUD to do so. However, on December 2, 2015, HUD notified the Department that it had been officially assigned to be the HCVP voucher administrator for the areas previously covered by AACOG, an additional service area covers 11 counties as listed below. Staff recommends establishing the payment standard as follows:

- Based on the initial research of the units for this area, staff verified FMRs increased in 9 of 11 counties.
- Staff recommends payments standards of 90% of FMR for 78114, and 78147.
- Staff recommends payments standards of 94% of FMR for 78013, 78143, 78160, and 78161.
- Staff recommends payments standards of 97% of FMR for 78011, 78063, 78003, 78883, 78885, 78638, and 78155.
- Staff is recommending a payment standard of 100% of FMR for 78055, 78010, 78024, 78025, 78028, 78029, and 78058.
- Staff is recommending a payment standard of 105% of FMR for 78065, 78132, 78004, and 78027.
- Staff is recommending a payment standard of 107% of FMR for 78123, 78124 and 78074.
- Staff is recommending a payment standard of 108% of FMR for 78618, 78624, 78631, 78671, and 78675.
- In the remaining seven counties, staff is recommending a payment standard of 110% of FMR for remaining counties because the FMRs are not supportive enough to allow households the ability to locate acceptable units at the adjusted FMR without causing a rent burden to the households.

These payment standards will become effective on January 1, 2016, and will be applied at the first annual reexamination following the effective date of the increase in the payment standard. This will affect the tenant upon a subsequent change to the Housing Assistance Payment ("HAP") contract such as relocating to a new unit or a change in household composition. Households and property owners are given a minimum of 30 days to a maximum of 60 days prior to the change.

2016 Voucher Payment Standards

Staff recommends adopting these 2016 Payment Standards because they allow current tenants continued affordability in the units they have selected and help new tenants find decent, safe, sanitary, and affordable units. The attached Exhibit A details the Department's recommended 2016 Payment Standards. For Project Access households outside of the Department's service areas; the Department will adopt the payment standard in use by a PHA with jurisdiction, or if there is no PHA with jurisdiction a payment standard in use by a neighboring PHA jurisdiction.

These Payment Standards are proposed based on HUD's publication of FMRs in the *Federal Register*. If any FMR changes in the final version adopted by HUD, the Department will adopt HUD's final adopted FMR, but will leave the payment standard rate as that adopted in this action. If needed, a utility allowance will be established.

2016 Voucher Payment Standards

	Bedroom Size				
	REGION	1 BR	2 BR	3 BR	4 BR
<u>Atascosa County: 78011</u> HUD FMR Payment Standard % of Payment Standard	H	544 528 97%	719 697 97%	932 904 97%	1116 1083 97%
<u>Atascosa County: 78065</u> HUD FMR Payment Standard % of Payment Standard	H	544 571 105%	719 755 105%	932 979 105%	1116 1172 105%
<u>Atascosa County: 78026, 78069, 78008, 78064</u> HUD FMR Payment Standard % of Payment Standard	H	544 598 110%	719 791 110%	932 1025 110%	1116 1228 110%
<u>Atascosa County: 78050, 78052, 78062, 78012</u> HUD FMR Payment Standard % of Payment Standard	H	544 598 110%	719 791 110%	932 1025 110%	1116 1228 110%
<u>Bandera County: 78063, 78003, 78883, 78885</u> HUD FMR Payment Standard % of Payment Standard	H	730 708 97%	918 880 97%	1208 1132 97%	1413 1397 97%
<u>Bandera County: 78055</u> HUD FMR Payment Standard % of Payment Standard	H	730 730 100%	918 880 100%	1208 1132 100%	1413 1397 100%
<u>Bexar County: 78015</u> HUD FMR Payment Standard % of Payment Standard	F	730 803 110%	918 1013 110%	1208 1476 110%	1413 1769 110%
<u>Comal County: 78132</u> HUD FMR Payment Standard % of Payment Standard	F	730 767 105%	918 964 105%	1208 1268 105%	1413 1484 105%
<u>Comal County: 78133, 78131, 78163, 78623</u> HUD FMR Payment Standard % of Payment Standard	F	730 803 110%	918 1010 110%	1208 1329 110%	1413 1554 110%
<u>Comal County: 78130, 78070, 78266, 78135</u> HUD FMR Payment Standard % of Payment Standard	F	730 803 110%	918 1010 110%	1208 1329 110%	1413 1554 110%

2016 Voucher Payment Standards

	Bedroom Size				
	REGION	1 BR	2 BR	3 BR	4 BR
<u>Frio County: 78057, 78005, 78017, 78061</u> HUD FMR Payment Standard % of Payment Standard	F	493 542 110%	660 726 110%	926 1019 110%	1047 1152 110%
<u>Gillespie County: 78624, 78618, 78631, 78671, 78675</u> HUD FMR Payment Standard % of Payment Standard	F	707 764 108%	917 990 108%	1179 1273 108%	1455 1571 108%
<u>Guadalupe County: 78638, 78155</u> HUD FMR Payment Standard % of Payment Standard	F	707 686 97%	918 890 97%	1208 1172 97%	1413 1371 97%
<u>Guadalupe County: 78124</u> HUD FMR Payment Standard % of Payment Standard	F	707 742 105%	918 964 105%	1208 1268 105%	1413 1484 105%
<u>Guadalupe County: 78123, 78124</u> HUD FMR Payment Standard % of Payment Standard	F	707 756 107%	918 982 107%	1208 1293 107%	1413 1512 107%
<u>Guadalupe County: 78115, 78156, 78670, 78154, 78108</u> HUD FMR Payment Standard % of Payment Standard	F	707 778 110%	918 1010 110%	1208 1329 110%	1413 1554 110%
<u>Karnes County: 78111, 78113, 78116, 78117, 78118, 78119, 78144, 78145, 78151</u> HUD FMR Payment Standard % of Payment Standard	F	518 570 110%	651 716 110%	949 1044 110%	1099 1209 110%
<u>Kendall County: 78013</u> HUD FMR Payment Standard % of Payment Standard	F	845 794 94%	1013 952 94%	1476 1387 94%	1769 1663 94%
<u>Kendall County: 78004, 78027</u> HUD FMR Payment Standard % of Payment Standard	F	845 887 105%	1013 1064 105%	1476 1550 105%	1769 1857 105%
<u>Kendall County: 78074</u> HUD FMR Payment Standard % of Payment Standard	F	845 904 107%	1013 1084 107%	1476 1579 107%	1769 1893 107%

2016 Voucher Payment Standards

	Bedroom Size				
	REGION	1 BR	2 BR	3 BR	4 BR
<u>Kerr County: 78010, 78024, 78025, 78028, 78029, 78058</u> HUD FMR Payment Standard % of Payment Standard	F	676 676 100%	807 807 100%	1075 1075 100%	1280 1280 100%
<u>Medina County: 78009, 78016, 78039, 78056, 78066, 78059, 78850, 78861, 78886</u> HUD FMR Payment Standard % of Payment Standard	F	486 535 110%	651 716 110%	944 1038 110%	1050 1155 110%
<u>Wilson County: 78114, 78147</u> HUD FMR Payment Standard % of Payment Standard	F	730 657 90%	918 826 90%	1208 1087 90%	1413 1272 90%
<u>Wilson County: 78143, 78160, 78161</u> HUD FMR Payment Standard % of Payment Standard	F	730 686 94%	918 863 94%	1208 1136 94%	1413 1328 94%
<u>Wilson County: 78121</u> HUD FMR Payment Standard % of Payment Standard	F	730 803 110%	918 1010 110%	1208 1329 110%	1413 1554 110%

**Note 1: The FMRs for unit sizes larger than 4 BRs are calculated by adding 15% to the 4 BR FMR for each extra bedroom.*

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BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Awards for Program Year 2015 Community Services Block Grant Discretionary Funds Notice of Funding Availability I: Services to Native American and Migrant and Seasonal Farmworker Populations

RECOMMENDED ACTION

WHEREAS, Community Services Block Grant (“CSBG”) funds are awarded annually to the Texas Department of Housing and Community Affairs’ (“the Department”) by the U.S. Department of Health and Human Services (“USHHS”);

WHEREAS, the Department reserves 90% of the allotment for CSBG eligible entities to provide services/assistance to the low-income population in all 254 counties; 5% for state administration expenses; and the remaining 5% for state discretionary use;

WHEREAS, at the Board meeting of February 19, 2015 the Department established a set aside of \$200,000 in CSBG Discretionary (“CSBG-D”) funds to be awarded through a Notice of Funding Availability (“NOFA”) for providers of employment and education programs for Migrant and Seasonal Farm Worker and Native American populations, and staff released such a NOFA as directed; and

WHEREAS, staff has reviewed and evaluated the applications received and recommends Board approval of an award in the amount of \$100,000 to Opportunity Center for the Homeless, Inc. to provide services to Migrant and Seasonal Farmworker populations, and an award in the amount of \$100,000 to Urban Inter-Tribal Center of Texas to provide services to the Native American population:

NOW, therefore, it is hereby

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 take any and all such actions as they or any of them may deem necessary or advisable to effectuate the award of \$100,000 to Opportunity Center for the Homeless, Inc. and an award in the amount of \$100,000 to Urban Inter-Tribal Center of Texas.

BACKGROUND

The Department set aside a total of \$200,000 in State CSBG Discretionary funds to be awarded through a NOFA approved at the Board meeting of February 19, 2015. The NOFA sought entities to provide employment and education services to Migrant and Seasonal Farmworker populations and Native American populations. The Department received five applications in response to the NOFA. Two of the applications were terminated because they did not meet threshold requirements.

Based on the Department's scoring and ranking of the applications, staff recommends Board approval of two awards. These applications were scored utilizing a standardized scoring instrument and the applicants recommended for funding are the applicants with the highest ranking applications in each category. The Previous Participation Rule (10 TAC, Chapter 1, Subchapter A, §1.5) includes a review of CSBG-D awards prior to contract execution. This award is subject to this review. The review has been performed and no concerns or conditions were identified.

Attachment A reflects all applicants and the funding recommendation amounts.

Attachment A

**Award Recommendations for Program Year (PY) 2015 Community Services Block Grant
("CSBG") Discretionary Funds Notice of Funding Availability I:
Services to Migrant and Seasonal Farmworker and Native American Populations**

Category: Migrant and Seasonal Farmworker Population

Applicant	Maximum Score Possible	Score	Amount Requested	Amount Recommended
Family Services Association of San Antonio	718	404	\$100,000	\$0
Housing Authority of the City of El Paso	718	Terminated	\$100,000	\$0
Motivation Education & Training, Inc.	718	Terminated	\$100,000	\$0
Opportunity Center for the Homeless	718	498.5	\$100,000	\$100,000

Category: Native American Population

Applicant	Maximum Score Possible	Score	Amount Requested	Amount Recommended
Urban Inter-Tribal Center of Texas	718	493.5	\$100,000	\$100,000

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BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer.

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for Pleasant Hill Village Apartments was submitted to the Department on April 2, 2015;

WHEREAS, in lieu of a Certification of Reservation, a Carryforward Designation Certificate was issued on January 16, 2015, and will expire on December 31, 2017;

WHEREAS, the proposed issuer of the bonds is the Houston Housing Finance Corporation;

WHEREAS, the applicant has disclosed the presence of an undesirable neighborhood characteristics under §10.101(a)(4) of the Uniform Multifamily Rules relating to the site's location in a census tract that has a poverty rate above 40% and a crime rate that exceeds 18 per 1,000 persons annually;

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood and, based on the facts and circumstances presented, believes the site should be considered eligible;

WHEREAS, the Executive Award and Review Advisory Committee ("EARAC") recommends the issuance of the Determination Notice with the condition that closing occur within 120 days (on or before April 18, 2016); and

WHEREAS, after consideration of the compliance issues that were reported to EARAC and the list of conditions, it is the recommendation of EARAC that the Applicant receive an award subject to the conditions attached hereto as Exhibit A, which were developed and proposed by the Applicant;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of \$430,637 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website for Pleasant Hill Village Apartments is hereby approved in the form presented to this meeting; and

FURTHER RESOLVED, that provided the Applicant has not closed on the bond financing on or before April 18, 2016, the Board authorizes EARAC to approve or deny an

extension of the Determination Notice date subject to an updated previous participation review, if necessary.

BACKGROUND

General Information: Pleasant Hill Village Apartments involves the rehabilitation and acquisition of an existing development, originally constructed in 1996, located at 3814 Lyons Avenue, Houston, Harris County, an area that does not have a zoning ordinance. The development will serve the elderly population and has 165 units, all of which will be rent and income restricted at 60% of Area Median Family Income (“AMFI”). The census tract (2113.00) has a median household income of \$14,341, is in the fourth quartile and has a poverty rate of 44.00%.

The development was previously awarded an allocation of competitive Housing Tax Credits in 1995. Due to a recent change in legislation (HB 3576) this development is exempt from going through the Right of First Refusal process. The initial Tax Credit Compliance Period expired on December 31, 2012. There is an Extended Use Restriction Agreement in place on the property until December 31, 2037.

Site Analysis: The development is located in a census tract that has a poverty rate of 44% which exceeds the threshold allowed under §10.101(a)(4) of 40%, and the rate of violent crime for the census tract is reported to be 30 per 1,000 persons annually, according to Neighborhoodscout, which exceeds the threshold of 18 allowed under the rule. The development is in a neighborhood comprising small commercial businesses, single family residential, vacant land, and nearby churches. According to Neighborhoodscout, the majority of the homes (55%) were built between 1940 and 1969, and the median home value is \$76,258. In the last 12 months there was an average annual appreciation rate of 14.65%. The percentage of households in the census tract with incomes greater than \$50,000 (the median household income for the Houston-Sugar Land-Baytown MSA is \$57,426) revealed an overall increase over the past five years from 9% in 2010 to 16% in 2014.

Acceptable mitigation that can be considered pursuant to §10.101(a)(4) of the Uniform Multifamily Rules and therefore applicable to Pleasant Hill Village includes the following:

“(i) Preservation of existing occupied affordable housing units that are subject to existing federal rent or income restrictions, that will not result in a further concentration of poverty and the Application includes a letter from the fair housing or civil rights office of the existing federal oversight entity indicating that the Rehabilitation of the existing units is consistent with the Fair Housing Act.”

Despite this acceptable mitigation allowed under the rule, staff did inquire regarding any revitalization efforts in the neighborhood. Information provided by the applicant indicated the development is located east of downtown Houston, in Houston’s Greater Fifth Ward which has been identified by the city in its Outreach Plan for HCCD CDBG-DR-2 as one of only three community revitalization areas in which the city would focus its investment and redevelopment efforts. The rehabilitation planned for the Pleasant Hill Village, according to the applicant, is an effort to leverage private and public funds for the betterment of the Fifth Ward. The funding sources for this development include a contribution of \$2,000,000 in CDBG funds from the city which demonstrates the revitalization efforts underway for the Fifth Ward. These federal funds, administered by the Texas General Land Office and the City of Houston, have entailed significant oversight by the U. S. Department of Housing and Urban Development (“HUD”) Office of Fair

Housing and Equal Opportunity, ensuring that the planned uses of these funds are consistent with HUD's requirement that the State of Texas utilize its HUD funding to further fair housing in an affirmative manner.

With respect to crime, §10.101(4)(B)(ii) of the Uniform Multifamily rules allows some flexibility regarding what the "immediately surrounding area" is. While Neighborhoodscout defines the area as the census tract, the applicant reviewed the crime reports from the Houston Police Department for the police beat that includes the proposed development and provided a map that plotted the incidents of Part I violent crimes occurring within 1,000 square feet of the development. This assessment revealed 8 incidents of such crimes between January 2015 to October 2015, which results in a crime rate of 10.3 per 1,000 persons which is below the threshold indicated under the rule. Moreover, the applicant indicated that they work in partnership with local Constable Precinct 6 to ensure the safety of the residents and a letter from Constable Heliodoro Martinez, Jr. was submitted indicating they will continue to provide regular on-duty uniformed patrols as deterrence to criminal activity. Also noted by the applicant is that on-site security (interior and exterior) will continue to be provided and the scope of work planned for the development will further address safety and security concerns by including electronic building access and secondary controlled access for elevator entry and ingress into residential hallways.

While the rule also requires a letter from the fair housing or civil rights office with federal oversight confirming the planned rehabilitation is consistent with the Fair Housing Act, the Department has been told by HUD on other recent applications that it will not be issuing such a letter. At the time this language was placed in the rule, staff did not intend for an inability of an applicant to obtain the letter to be a hindrance in having the development move forward. Moreover, Texas Government Code §2306.001(3) calls for the Department to contribute to the preservation, development and redevelopment of neighborhoods and communities, including cooperation in the preservation of government-assisted housing occupied by individuals and families of very low and extremely low-income. Staff has therefore intended to not withhold a recommendation for approval solely due to the lack of such fair housing letter. Staff recommends the site be considered eligible.

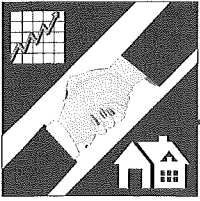
Organizational Structure: The Borrower is Pleasant Hill Seniors 165, L.P. The General Partner is 165 Pleasant Hill Seniors GP, LLC, of which the sole member is Pleasant Hill Community Development Corporation a nonprofit organization with the following board members and directors: Harvey Clemons Jr., Paul L. Moore, Eugene Wiley, Eleanor D. Jones, Robert Dawkins, Sherry Ellis and Leocadia Hooks. In accordance with 10 TAC §1.301(d)(1), Pleasant Hill Village Apartments has been designated as an Small Portfolio Category 4 and as such the EARAC met on December 9, 2015 and considered the previous participation documentation relating to the aforementioned organizational structure. The applicant provided a list of conditions to be imposed upon this award which was reviewed and considered acceptable to EARAC. These conditions are reflected in Exhibit A.

Public Comment: The Department has not received any letters of support or opposition for the Development.

EXHIBIT A

List of Conditions to the Award

1. Pleasant Hill Community Development Corporation (“PHCDC”) will seek technical assistance from a designated third-party, to clear TDHCA compliance findings – including training supervisory staff on drafting responses to compliance deficiencies and TDHCA requests for information, tracking deadlines, the organization chart and personnel of TDHCA, CMTS overview and TDHCA rules.
2. A designated third-party will review all new move-in files before the resident is allowed to move in, and all re-certifications.
3. Tenant files for all Housing Tax Credit tenants will be reviewed on-site quarterly.
4. All upper management will enroll with the TDHCA Listserve, and one or more representatives of upper management will attend TDHCA Compliance related roundtables occurring over the next year, not to exceed four (4) per calendar year.
5. All PHCDC and Creative Property Management Co. staff will attend TAA Certified Apartment Manager (“CAM”) training.
6. PHCDC will offer incentives to staff who earn each of the Certified Property manager, Housing Credit Certified Professionals, and CAM certifications.
7. Upon the entry of a final judgment in PHCDC’s ad valorem taxation appeal to the 14th Court of Appeals of Texas (the “Appeal”), PHCDC will deliver a copy of such final judgment (the “Judgment”) to TDHCA within 30 days.
8. To the extent PHCDC is not the prevailing party pursuant to the Judgment, PHCDC will deliver to TDHCA a plan to pay the taxing authorities any amounts awarded pursuant to the pending tax suit.
9. In order to further address compliance issues, PHCDC will prepare a Business Conduct Handbook for distribution to each of our staff members. Staff members will be required to read the Handbook, initial each page and execute it as a condition for continued and new employment. PHCDC has a Zero Tolerance Policy for violations of compliance.



PLEASANT HILL

Community Development Corporation

1510 Pannell • Houston, Texas 77020

ph: 713.224.3232 • fx: 713.224.0060

December 9, 2015

By Email to TeresaMorales@tdhca.state.tx.us

Teresa Morales
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2410

RE: #15409; Pleasant Hill Village, Houston, Harris County, Texas

Dear Ms. Morales:

This letter is in response to your December 2, 2015 e-mail communication regarding concerns about crime in the area surrounding Pleasant Hill Village (the “Project”). You indicated that Neighborhood Scout reports a crime rate of 30 per 1,000, which exceeds the threshold of 18/1,000. We are greatly concerned with the well-being of the Pleasant Hill Village (PHV) residents their safety is of utmost importance to us. Indeed it is their safety and the provision of safe, decent, and affordable housing that is the overarching aim of our endeavor to rehabilitate the Project via resyndication of Low Income Housing Tax Credits (“LIHTCs”). Accordingly, safety is a large component of the Project’s re-design, as well as the concern to be addressed by services provided at the Project, should TDHCA allow re-syndication to proceed.

In an effort to better understand the crime facing our residents, we have undertaken a review of the violent crime (defined by the FBI’s Uniform Crime Reporting Program as rape, murder, aggravated assault, and robbery¹) in the 1,000sf surrounding the Project (the “Area”). In doing so, we reviewed the crime reports from the Houston Police Department’s Beat 7C10, which is the Beat encompassing the Project and the Greater Fifth Ward, for January through September 2015 (the last month for which data was available) (the “Period”). Because the Beat is much larger than the Area, we plotted all of the violent crimes on a map, and then drew a circle with radius of approximately 1,000f around the Project. While this may be but an approximation of the 1,000 sf area surrounding the Project, if incorrect, it is because it is too large an area, not too small and thus may contain more crime than is applicable, not less. This map is attached hereto as Exhibit A (the “Map”). While all violent crime is terrible, the Map shows that only 8 such crimes occurred in the Area during the Period. We engaged Novogradac, which completed the market study for the re-syndication of the Project, to assist us in digesting the raw data provided by Beat 7C10. They have approximated that the population within the Area is 778. When read with the information provided on the Map, the violent crime rate in the Area is approximately 8/779, or 10.3/1,000, which is well below the 18/1,000 threshold.


¹ See <https://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s./2011/crime-in-the-u.s.-2011/violent-crime/violent-crime> (last visited December 9, 2015).

Please also note that we work in partnership with local Constable Precinct 6 to ensure the safety of our residents. This is in addition to patrol and service provided by the Houston Police Department. Our partnership with Constable Precinct 6 ensures regular patrols of the area and they have invited us to keep them engaged and aware of any concerns we have. Please see the letter from Constable Precinct 6 attached hereto as Exhibit B. Additionally, in an effort to further ensure the safety of our residents, we provide on-site security as follows: interior security from 7 pm to 1 am and exterior security from 10 pm to 7 am.

Finally, we understand TDHCA's desire to ensure that housing is not concentrated in dangerous areas and we respect this goal. However, the Project currently exists and it is through its renovation and the development of other tier 1 housing in the area that Fifth Ward will be improved. No one is served by allowing the Project to fall into further disrepair; re-syndication will allow us to improve both the quality and safety of the Project and the Area. Moreover, if re-syndication is allowed, the Project's redesign will further address safety and security concerns. The renovated Project will include electronic building access and secondary controlled access for elevator entry and ingress into residential hallways. We will continue to utilize cameras and a monitored alarm system; and both will be further enhanced with the proposed renovations, if we are allowed to re-syndicate.

In summary, we feel comfortable with and based on our analysis of the data along with the committed partnerships established and the steps taken to upgrade the design of the building and its support devices, a safe and secure environment is created for the residents at Pleasant Hill Village.

Sincerely,

A handwritten signature in black ink, appearing to read 'Harvey Clemons Jr.', with a stylized flourish at the end.

Harvey Clemons Jr.
President

Exhibit A
Area Map with Plotted Violent Crime

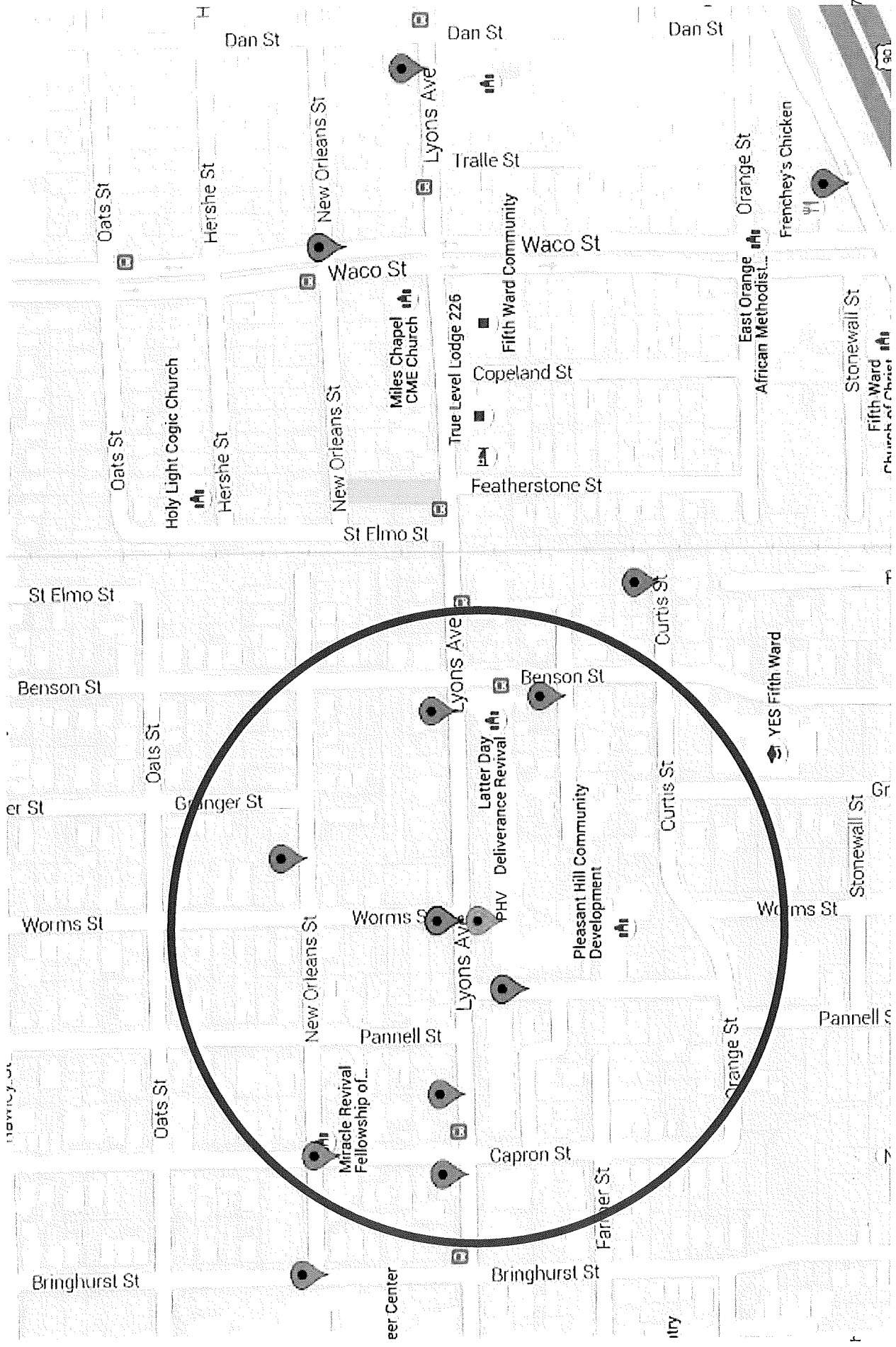
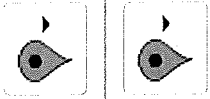


Exhibit B
Letter from Constable Precinct 6



CONSTABLE HELIODORO MARTINEZ, JR.

Harris County Precinct 6 Constable

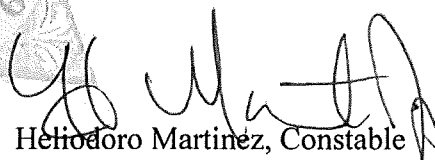
December 9, 2015

Mr. Harvey Clemons, President
Pleasant Hill Community Development Corporation
4300 Lyons Avenue, Suite 100 Administration
Houston, Texas 77020

Dear Mr. Clemons:

Thank you for the opportunity to meet with you regarding criminal activity occurring along the Lyons Avenue corridor that specifically includes the 3800 block of Lyons Avenue. This department will continue to provide regular on-duty uniformed patrols in marked police vehicles as a deterrence to criminal activity. Additionally, please do not hesitate to contact our 24 hour-a-day dispatch office at (713) 274-3400 anytime criminal activity is observed so an on-duty deputy can be promptly dispatched to investigate the incident

Sincerely,



Heliodoro Martinez, Constable
Harris County Precinct 6

HM/jdr

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer.

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for Denton Apartments was submitted to the Department on April 17, 2015;

WHEREAS, in lieu of a Certification of Reservation, a Carryforward Designation Certificate was issued on January 16, 2015, and will expire on December 31, 2017;

WHEREAS, the proposed issuer of the bonds is the Denton Public Facility Corporation;

WHEREAS, the Executive Award and Review Advisory Committee (“EARAC”) recommends the issuance of the Determination Notice with the condition that closing occur within 120 days (on or before April 18, 2016); and

WHEREAS, after consideration of the compliance issues that were reported to EARAC, it is the recommendation of EARAC to impose conditions to the award as noted in Exhibit B that must be submitted and resolved to the satisfaction of staff prior to the issuance of the Determination Notice;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of \$1,666,107 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department’s website for Denton Apartments and subject to the EARAC recommended conditions described herein, is hereby approved in the form presented to this meeting; and

FURTHER RESOLVED, that provided the Applicant has not closed on the bond financing on or before April 18, 2016, the Board authorizes EARAC to approve or deny an extension of the Determination Notice date subject to an updated previous participation review, if necessary.

BACKGROUND

General Information: Denton Apartments, proposed to be located at 2400 East McKinney Street in Denton, Denton County, involves the new construction of 322 units. Of the 322 units, 4 units will be rent and income restricted at 50% of Area Median Family Income (“AMFI”), and the remaining 318 units will be rent and income restricted at 60% AMFI. The development will serve the general population and is zoned

appropriately. The census tract (0212.01) has a median household income of \$30,730, is in the fourth quartile and has a poverty rate of 29%.

Organizational Structure: The Borrower is McKinney Denton Apartments, Ltd. and includes the McKinney Denton Apartments GP LLC with the Denton Public Facility Corporation serving as sole member of the general partner. The individuals that compose the PFC include the following: Bill Giese, Kathryn Stream, Sherri McDade, Judy Collins, Salty Rishel, and Sheryl English. The structure also includes the NRP McKinney Denton Apartments SLP LLC, which includes NRP Affordable Subsidiary, LLC and individuals as reflected on the organizational chart attached as Exhibit A. In accordance with 10 TAC §1.301(d)(1), Denton Apartments has been designated as an Extra Large Portfolio Category 4 and as such the EARAC met on December 9, 2015, and considered the previous participation documentation in connection with the aforementioned organizational structure. In consideration of the compliance issues reported, EARAC recommended approval of the award subject to the conditions as reflected in Exhibit B that must be submitted and resolved to the satisfaction of staff prior to the issuance of the Determination Notice.

Public Comment: The Department received a letter of support from Denton ISD Superintendent Dr. Jamie Wilson. No letters of opposition have been received.

EXHIBIT A

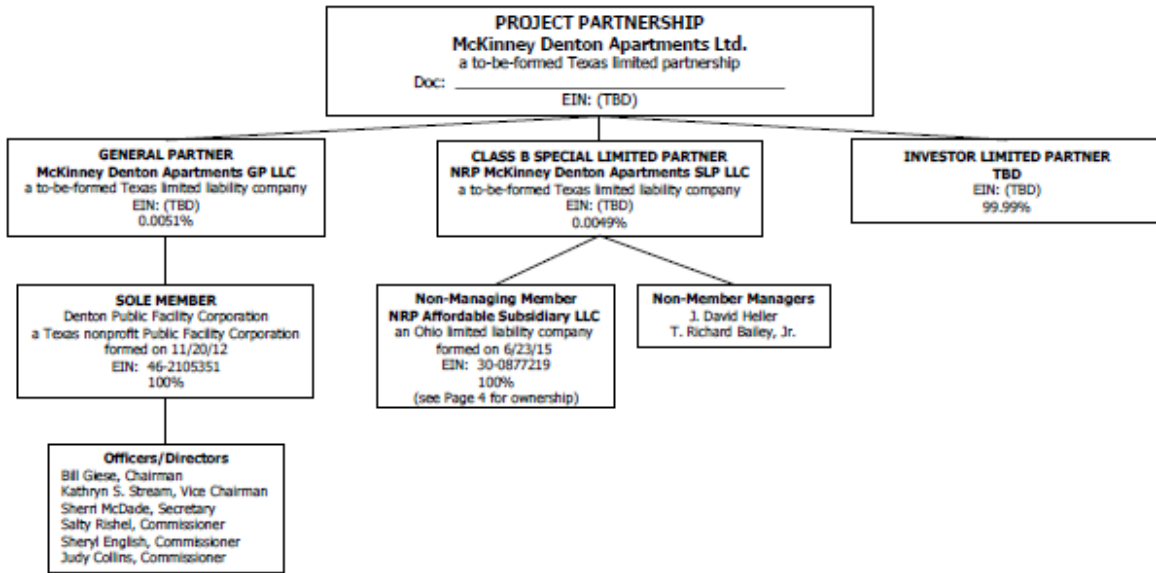


EXHIBIT B

List of Conditions to Award

1. The NRP Group will submit to the Department a narrative that explains their process for interacting with their nonprofit and local governmental partners on developments in which they are involved. Such narrative should include how communication is maintained and how such partners are kept apprised of what is going on with respect to the specific development(s).
2. Provide documentation to the Department evidencing general liability insurance associated with the Gibraltar.
3. The NRP Group will submit to the Department a narrative that explains their internal process with how information relating to their Texas affordable housing portfolio is disseminated within their organization. Information contained in this narrative can include, but is not limited to, how compliance issues are communicated to personnel and the process for providing resolution to the Department in that regard.
4. Resolution of the finding of noncompliance relating to an ineligible household for Cevallos Lofts (#09404).



Dr. James K. Wilson, Superintendent ■ 1307 N. Locust St. ■ Denton, Texas 76201

August 12, 2015

Texas Department of Housing and Community Affairs
Multifamily Finance Division
Jean Latsha
PO Box 13941
Austin, TX 78711-3941

Re: Affordable Rental Housing Application – Denton Apartments

Dear Jean Latsha:

On May 7, 2015, my office received notification of an affordable rental housing application proposed in the Denton ISD. On behalf of the Denton ISD, our trustees have asked that I, as Superintendent of Schools, notify you in writing the position of our District as it relates to this application. Our governing board is in support of the application provided the following criteria are met:

1. The constructed units are of high quality, and maintained as such, instilling a sense of pride in the residents inhabiting the property.
2. All units, living quarters and bed rooms are of sufficient size allowing space for our students and their families to bond, spend time together and prepare for school.
3. The housing development is one in which the residents are proud to inhabit.

Providing the developer can create the type of environment that would be conducive to the aforementioned elements the Denton ISD is in support of the proposed development know as Denton Apartments, located at 2400 Block E. McKinney Street, Denton, TX 76209.

Thank you for the notification, the Denton ISD looks forward to creating a safe and nurturing educational environment for the future residents of Denton Apartments.

Very Sincerely,

A handwritten signature in cursive script that reads "Dr. Jamie Wilson".

Dr. Jamie Wilson
Superintendent

cc: Sherri McDade
Denton Housing Authority
302 South Locust Street
Denton, Texas 76201

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer.

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for 87th Street Apartments was submitted to the Department on July 31, 2015;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board was issued on August 27, 2015, and will expire on January 24, 2016;

WHEREAS, the proposed issuer of the bonds is the Odessa Housing Finance Corporation;

WHEREAS, the applicant requested a waiver regarding the eligibility for the 130% boost in eligible basis based on the development's location in a difficult to develop area ("DDA") and a determination was issued by staff on October 2, 2015, waiving the exclusion of the DDA provision for the 30% boost in the 2015 Qualified Allocation Plan, consistent with §10.207(b) of the Uniform Multifamily Rules; and

WHEREAS, the Executive Award and Review Advisory Committee ("EARAC") recommends the issuance of the Determination Notice;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of \$1,302,376 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website for 87th Street Apartments is hereby approved as presented to this meeting.

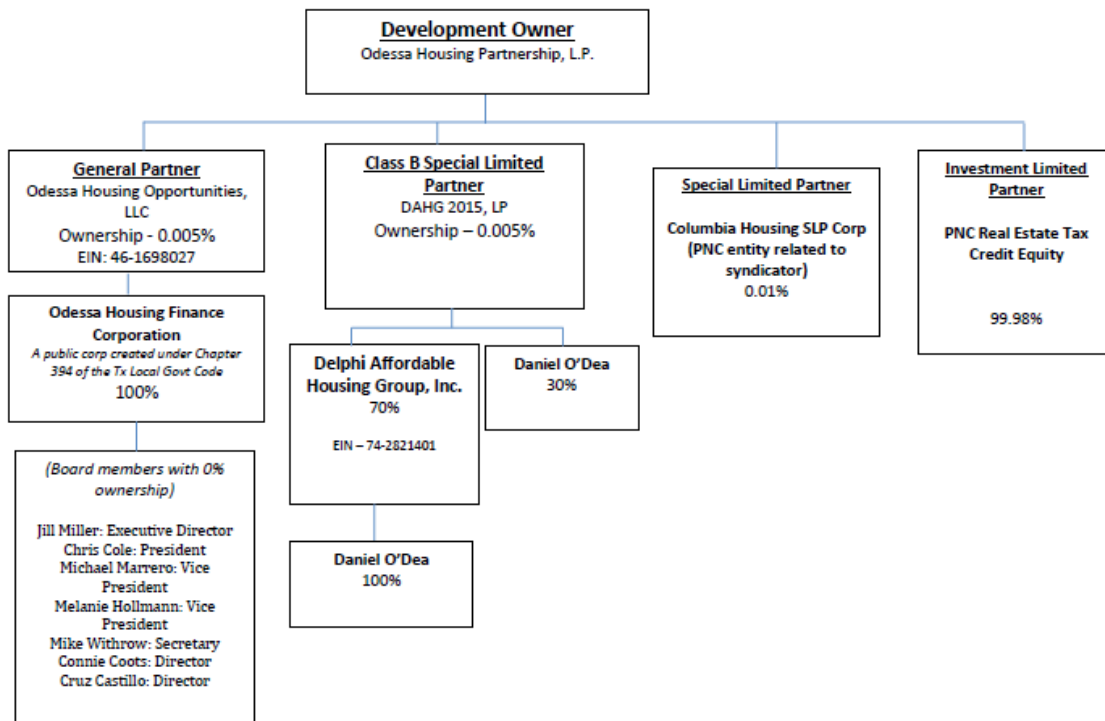
BACKGROUND

General Information: 87th Street Apartments, proposed to be located on the south side of 87th Street between Yale Avenue and Dawn Avenue in Odessa, Ector County, involves the new construction of 295 units, of which 233 will be rent and income restricted at 60% of Area Median Family Income. The remaining 62 units will be market rate with no rent and income restrictions. The development will serve the general population and is zoned appropriately. The census tract (0025.01) has a median household income of \$66,996, is in the first quartile, and has a poverty rate of 6%.

Waiver Request: On September 21, 2015, a letter was submitted to the Department requesting a waiver regarding the eligibility for the 130% boost in eligible basis based on the development's location in a difficult to develop area ("DDA"). A determination was issued by staff on October 2, 2015, waiving the

exclusion of the DDA provision for the 30% boost in the 2015 Qualified Allocation Plan, consistent with §10.207(b) of the Uniform Multifamily Rules. This waiver is based on the fact that Odessa has demonstrated a disproportionately high cost of housing, rent, and construction compared to its area median income and that the location is one that would be considered high opportunity. Moreover, methodology used by HUD to designate DDAs is proposed to change in 2016 to reflect areas based on ZIP code boundaries rather than county-wide designations and staff included the DDA designation as eligible to receive the 30% boost in eligible basis in the 2016 Qualified Allocation Plan adopted by the Board on November 12, 2015. Pursuant to the staff determination, included in this presentation for reference, the underwriting analysis of the financial feasibility of the Application has factored this into their evaluation.

Organizational Structure: The Borrower is Odessa Housing Partnership, L.P., and includes the entities and principals as indicated in the organizational chart below. In accordance with 10 TAC §1.301(d)(1), 87TH Street Apartments has been designated as a Large Portfolio Category 2 and as such the compliance history was deemed acceptable by EARAC without further review or discussion.



Public Comment: The Department received a letter of support from Representative Brooks Landgraf. While the letter reflects support for 400 total units, throughout the review process the application was revised to reflect a reduction in the total number of units. The applicant has confirmed that there were subsequent conversations with the Representative’s office regarding the reduced number of units and the Representative remains in support of the proposed development. No letters of opposition for this Development have been received.



STATE REPRESENTATIVE
BROOKS LANDGRAF

July, 27, 2014

Ms. Kathryn Saar
Texas Department of Housing
and Community Affairs
Post Office Box 13941
Austin, Texas 78711

Dear Ms. Saar,

As you know, housing in West Texas has become an incredibly limited resource. Efforts to expand access to affordable housing in our area are greatly needed and I write to you today in support of one such project.

This project is the proposed 87TH apartment project being co-developed by the Odessa Housing Finance Corporation and Delphi Affordable Housing Group.

The 400 unit property will provide 300 units of housing affordable to households earning the equivalent of \$18.58/hour and one hundred units are being reserved for an initial period of five years for teachers and employees of the Ector County Independent School District at a rental rate affordable to households earning 100% of the Area Median Income.

These housing projects are vital to the community and I urge the Department to assist in what local community leaders have been working on for years. Thank you for allowing me to express my support of this project and please feel free to contact me or my office with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Brooks Landgraf".

Brooks Landgraf



DISTRICT 81 – ANDREWS, ECTOR, WARD, AND WINKLER COUNTIES

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer.

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for Urban Oaks Apartments was submitted to the Department on October 2, 2015;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board was issued on October 15, 2015, and will expire on March 10, 2016;

WHEREAS, the proposed issuer of the bonds is the Austin Affordable Public Facility Corporation, Inc.;

WHEREAS, the applicant disclosed the presence of an undesirable neighborhood characteristic under §10.101(A)(4) of the Uniform Multifamily Rules related to an adjacent property to the proposed site that was listed in the state voluntary cleanup program;

WHEREAS, the applicant further indicated that the Texas Commission on Environmental Quality (“TCEQ”) issued a Certificate of Completion indicating the cleanup standards have been met and based on the facts and mitigation presented staff believes the site should be considered eligible; and

WHEREAS, the Executive Award and Review Advisory Committee (“EARAC”) recommends the issuance of the Determination Notice;

NOW, therefore, it is hereby

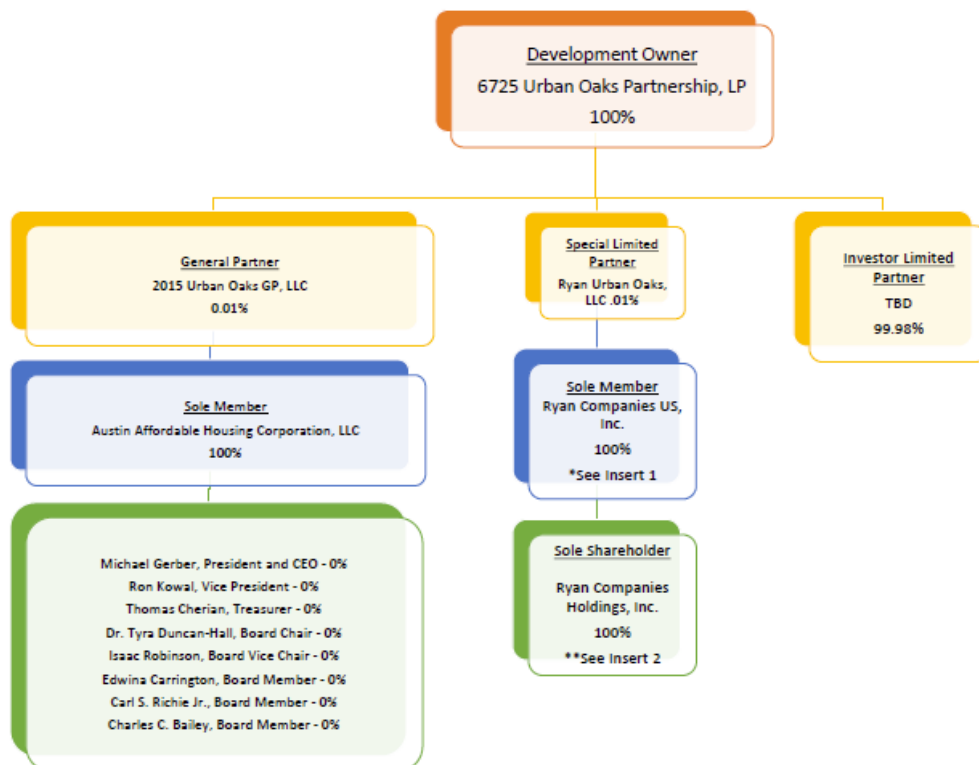
RESOLVED, that the issuance of a Determination Notice of \$1,034,121 in 4% Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department’s website for Urban Oaks Apartments is hereby approved as presented to this meeting.

BACKGROUND

General Information: Urban Oaks Apartments, proposed to be located at 6725 Circle S Road Street in Austin, Travis County, involves the new construction of 194 units, all of which will be rent and income restricted at 60% of Area Median Family Income. The development will serve the general population and the site is zoned appropriately. The census tract (0024.22) has a median household income of \$36,419, is in the fourth quartile, and has a poverty rate of 26.20%.

Site Analysis: The applicant disclosed the presence of an undesirable neighborhood characteristic under §10.101(a)(4)(B) of the Uniform Multifamily Rules; specifically that the Environmental Site Assessment indicates a facility listing within the American Society for Testing Materials (“ASTM”) required search distances in an environmental-specific database. The Urban Oaks site is adjacent to a property, Century South Shopping Center, which previously participated in the state voluntary cleanup program which is one of the databases listed under §10.101(a)(4)(B)(v). Prior to the development of the current shopping center in 1980, the land was used for agricultural purposes. In the mid 1960s an auto junkyard was operated on the southern part of the property, in addition to a dry cleaning business and an automotive repair facility with a waste oil underground storage tank in the 1980s and ‘90s. Possible contaminants of concern include chlorinated or non-chlorinated volatile organic compounds, semi volatile organic compounds, petroleum hydrocarbons, metals and ethylene glycols. Based on aquifer tests, which included nine monitor wells and 23 soil borings it has been concluded that the impacted shallow groundwater bearing zone was not a current or potential source of drinking water. The applicant has indicated that TCEQ issued a Certificate of Completion indicating the cleanup standards have been met. As a result, staff does not believe the site should be found ineligible based on the facts and mitigation presented.

Organizational Structure: The Borrower is 6725 Urban Oaks Partnership, L.P. and includes the entities and principals as indicated in the organizational chart below. In accordance with 10 TAC §1.301(d)(1), Urban Oaks Apartments has been designated as a Small Portfolio Category 2 and as such the compliance history was deemed acceptable by EARAC without further review or discussion.



Public Comment: The Department has not received any letters of support or opposition for this Development.

1i

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

DECEMBER 17, 2015

Presentation, Discussion, and Possible Action Regarding HOME funds available to 1500 MLK, LLC for the development of Royal Gardens Mineral Wells

RECOMMENDED ACTION

WHEREAS, 1500 MLK, LLC was awarded \$280,356 in HOME funds as well as an allocation of 9% Housing Tax Credits (“HTC”) on July 26, 2012, to construct an affordable multifamily rental property known as Royal Gardens Mineral Wells;

WHEREAS, \$252,320.40 in HOME funds were drawn over the course of construction, leaving \$28,035.60 in unexpended HOME funds;

WHEREAS, prior to completion, the property was completely destroyed by fire in April 2014;

WHEREAS, 1500 MLK, LLC paid off the principal balance of the HOME loan in June 2015 and was issued a new allocation of 9% HTC in July 2015;

WHEREAS, the Board took action in July 2015 to forgive accrued interest on the HOME loan and release TDHCA’s lien on the property while maintaining the HOME Land Use Restriction Agreement (“LURA”) that was executed on April 15, 2013; and

WHEREAS, in order for the development to retain its character as a HOME project under HUD requirements, it is necessary that 1500 MLK, LLC regularly draw on the remaining HOME award funds until the project is complete;

NOW, therefore, it is hereby

RESOLVED, the Board, on behalf of the Department, authorizes the Executive Director or his assignee to execute such documents and instruments as he or they may deem necessary or advisable to effectuate the foregoing.

BACKGROUND

1500 MLK, LLC was awarded HOME funds in the amount of \$280,356 in the form of a repayable loan on July 26, 2012. The award of HOME funds was made in conjunction with an allocation of 9% Housing Tax Credits. The borrower closed on the HOME loan and all other financing on April 15, 2013, and started construction soon thereafter. On April 2, 2014, as the property was within weeks of receiving Certificates of Occupancy, it was completely destroyed by fire. In the months

following the fire, the borrower and Department had several discussions regarding a reallocation of 9% credits. In June 2015, the borrower and Department reached an agreement whereby 1500 MLK, LLC would receive a reallocation of 9% credits and the \$252,320.40 in HOME funds that had been drawn down would be repaid, with the remaining balance of \$28,035.60 anticipated to be de-obligated and redistributed to a future HOME award. The Department's Loan Servicing division acknowledged repayment of \$252,320.40 in HOME funds on June 4, 2015. While the Department's lien was released as a result, the Department's HOME LURA, which restricts 19 units for households at or below of the 60% Area Median Income for 30 years, remains in place.

Since the reallocation of 9% credits and the release of lien, the Department has discovered that it is necessary for 1500 MLK, LLC to complete two to three draws of HOME funds over the next 12 to 18 months until construction is complete in order to maintain the project's status as a HOME activity within HUD's Integrated Disbursement and Information System (IDIS). HUD requires that activities in IDIS maintain frequent draw activity in order to demonstrate progress toward completion, so IDIS flags activities with draws more than six months apart. Failure to comply with requirements may impact the Department's ability to access HOME funds through the IDIS system. To maintain compliance with HUD requirements and assure that the 19 HOME units in the development are not jeopardized, the Department will make a de minimis amount, not to exceed the remaining \$28,035.60, available to be drawn for reimbursement of eligible expenses under an agreement that does not require repayment.

1j

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on the application of the At Risk Set-aside to an application undergoing a conversion under the Rental Assistance Demonstration (“RAD”) program of the U.S. Department of Housing and Urban Development (“HUD”).

RECOMMENDED ACTION

WHEREAS, §9 of the National Housing Act of 1937 (the “Act,” codified at 42 USCS §§ 1437 et seq.) provides an operating subsidy to public housing; and

WHEREAS, under the RAD program a public housing development’s subsidy under §9 of the Act is replaced by a project based §8 subsidy providing rental support at levels that provide for reasonable expected costs of operations;

Now, therefore, it is hereby

RESOLVED, that this Board confirms its interpretation that public housing that undergoes a conversion from a subsidy under §9 of the Act to a subsidy under §8 of the Act under the RAD program meets the requirements of TEX. GOV’T CODE §2306.6714 and 10 TAC, §11.5(3)(D).

BACKGROUND

Staff has received a question as to whether a public housing authority applying for tax credits in connection with a RAD conversion meets the criteria to compete in the at risk set-aside, which is defined at TEX. GOV’T CODE §2306.6714. Staff believes that HB 2926 (84th Legislature, regular session) amended the definition of at risk developments in a manner that expressly includes developments undergoing RAD conversions. Such a development, pre-conversion, has an operating subsidy under §9 of the Act and this subsidy is replaced by a new subsidy under §8 of the Act. The new subsidy provides financial assistance necessary to operation (making it *de facto* an operating subsidy) and because it is project based the entirety of the subsidy is retained at the development.

1k

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

11

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action regarding a material amendment to the Housing Tax Credit Application and Land Use Restriction Agreement (“LURA”) for Creekwood Apartments (#94023)

RECOMMENDED ACTION

WHEREAS, Creekwood Apartments received an award of 9% Housing Tax Credits in 1994 to acquire and rehabilitate 285 multifamily units in Houston;

WHEREAS, the Development Owner advised the Department of an eminent domain condemnation judgment signed on June 3, 2015, conveying a 0.4667 acre tract on the frontage of the property due to the Texas Department of Transportation’s (“TxDOT”) planned widening U.S. Highway 290 in the Houston area;

WHEREAS, the development site acreage decreased from 10.5349 acres to 10.0682 acres (-4.43%), and buildings 1 and 2, including 33 residential units, were demolished as part of the condemnation proceeding, resulting in a reduction in the number of low income units and a modification of the residential density by more than 5%; and

WHEREAS, Board approval is required for any change that would materially alter a Development as directed in Texas Government Code §2306.6712 and 10 TAC §10.405(a) and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(a) and (b) to place this request before the Board;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment of the Housing Tax Credit application and LURA for Creekwood Apartments is approved as presented to this meeting and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Creekwood Apartments received a 9% Housing Tax Credit award in 1994 to acquire and rehabilitate 285 multifamily units in Houston. On November 19, 2015, the Development Owner (Juniper Investment Group) notified the Department of final judgment entered into between the State of Texas and the Development Owner for the condemnation of 0.4667 of an acre of the property by TxDOT as part of its planned widening of Highway 290. This condemnation resulted in the demolition of two residential buildings, which included 26 one-bedroom/one-bath units and seven two-bedroom/one-bath units. The Owner received \$1.9 Million as part of the proceedings, which according to the owner was used to restore

the property frontage and access points along US Highway 290. The remainder of the proceeds will be reserved for debt service as per the terms of the property loan agreement. The relocation costs for all affected tenants were paid for by TxDOT.

The total acreage is being reduced by 0.4667 acres, from 10.5349 acres to 10.0682 acres, resulting in a decrease in acreage of 4.43%. Since 33 units were condemned the density of the property decreased from 27.05 to 25.03 units per acre, or -7.47%.

The Owner has complied with the amendment and notification requirements under the Department's rule at Texas Government Code §2306.6712, 10 TAC §10.405(b). The Owner will provide opportunity for public input at a public hearing to be held on December 7, 2015, at 2 p.m.

Staff recommends approval, subject to no negative public comment received, of the amendment request.



JUNIPER
INVESTMENT GROUP

November 4, 2015

VIA OVERNIGHT DELIVERY

Lucy Trevino
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

RE: TDHCA LURA Amendment – Creekwood Apartments

Dear Ms. Trevino:

Pursuant to our prior conversations, the Creekwood Apartments were involved in an eminent domain proceeding. Two buildings totaling thirty-three (33) units were taken. Due to the reduced number of buildings and units, we are now seeking an amendment to the LURA from TDHCA.

Enclosed is the original LURA, a copy of the final judgement in the condemnation proceeding, and a check made out to TDHCA for the amendment fee. Please email me at todd@juniperinvestmentgroup.com, if you require any additional information to finalize the LURA amendment.

Sincerely,

Juniper Investment Group

Todd Boone
Transactions Administrator

Enclosures



JUNIPER
INVESTMENT GROUP

November 19, 2015

Via Delivery Service

Ms. Lucy Trevino
CPA Senior Asset Manager
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Creekwood Apartments – TDHCA LURA Amendment

Dear Ms. Trevino:

Pursuant to our telephone conversation, please find the following letter explaining the need for an amendment to the TDHCA LURA currently in place on the Creekwood Apartments (the “Property”) located in Houston, Texas. On or about June 3, 2015, a final judgement was entered into between the State of Texas and Juniper Northwest Freeway-Creekwood, Ltd. for the condemnation of 0.4667 of an acre of the Property by the Texas Department of Transportation (“TxDOT”). TxDOT approached Juniper with the condemnation as part of its planned widening of Highway 290 in the Houston area. Parts of the proceeds from the condemnation action will be used to restore the property frontage and access points along Highway 290. The remainder is reserved for debt service as per the terms of the Property loan agreement. Costs associated with tenant relocation were paid for by TxDOT.

Please advise should you require anything further in this regard. Your assistance is greatly appreciated. I look forward to working with you.

Sincerely,
Juniper Investment Group

Todd Boone
Transactions Administrator

Enclosures

NO. 1055273

"CLOSED"

FILED
5/27/2015 11:59:30 AM
Stan Stanart
County Clerk
Harris County

JUDGMENT OF COURT IN ABSENCE OF OBJECTION

CSJ: 0050-09-090
PARCEL: 421

NO. 1055273

THE STATE OF TEXAS	§	CONDEMNATION	PROCEEDING
	§	FILED	
v.	§		
	§	IN THE COUNTY CIVIL COURT AT	
JUNIPER NORTHWEST FREEWAY- CREEKWOOD, LTD., A TEXAS LIMITED PARTNERSHIP (2/3), ET AL.	§	LAW NO. 3	
	§	HARRIS COUNTY, TEXAS	
	§		
	§		

BE IT REMEMBERED:

That on this date there came on to be heard and considered the decision of the Special Commissioners filed on April 30, 2015, with the Judge of said Court aforesaid under the above-entitled and numbered cause, which is a condemnation proceeding in which the State of Texas is Plaintiff and the following are Defendants: Juniper Northwest Freeway-Creekwood, Ltd., a Texas Limited Partnership (2/3); TCGI-Creekwood, LLC, a Delaware Limited Liability Company (1/3); Texas Capital Community Development Corporation, a Texas Corporation; Texas Capital Bank, National Association, a Texas State Bank; Bernardo Soto; Joel Soto; and Ariel Ordonez. Defendants Kristina L. Southwick, Hector Hernandez Rodriguez, Teodora Pineda, Maria Perez, Noemi Melendez, Donovan Green, Pablo Mora Duran, Jose J. Contreras, Armando Sanchez Contreras, Nelwyn Cisse, Amadou Cisse and Luis J. Bonilla were previously dismissed from this proceeding on March 4, 2015, upon the filing of Plaintiff's First Amended Petition in Condemnation by the State of Texas.

2015050410380003

It appears to the Court, and it is so found, that no objections to said decision were filed within the time provided by law by any of the named parties and that said decision was filed with the Clerk of this Court on April 30, 2015.

It is, therefore, ORDERED, ADJUDGED and DECREED by the Court as follows:

1. That said decision of said Special Commissioners be, and the same is hereby, made the judgment of this Court.
2. That the Clerk of this Court record said decision in the minutes of this Court.
3. That by virtue of said decision of said Special Commissioners, the State of Texas is entitled to condemn and does hereby have judgment against the above-named Defendants for the fee simple title in the property situated in Harris County, Texas, and described in Exhibit "A" attached hereto and incorporated herein for all purposes and title to all that certain Multifamily Building A and Multifamily Building B described in Exhibit "A" and situated partially on the land described in Exhibit "A" and partially on the remaining land of which the land described in Exhibit "A" was originally a portion, together with the temporary right to enter onto the property remaining for the sole purpose of entering and removing all of said Multifamily Building A and Multifamily Building B; provided however, there is excluded from said estate condemned herein all the oil, gas and sulphur which can be removed from beneath said land described in Exhibit "A" without any right whatever remaining to the owners of said oil, gas and sulphur of ingress or egress to or from the surface of the land described in Exhibit "A" for the purpose of exploring, developing, drilling or mining of the same.
4. It further appears that the State of Texas has deposited in this Court the amount of damages awarded by said Special Commissioners against the State of Texas, to-wit: the sum of ONE MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,900,000.00).

NO-150804...1035...0000

APPROVED AS TO FORM:

Esther Fraser

ESTHER FRASER
Assistant Attorney General
State Bar No. 24083020
Transportation Division
P. O. Box 12548
Austin, Texas 78711-2548
(512) 463-2004
(512) 472-3855 - Facsimile

**ATTORNEYS FOR PLAINTIFF,
THE STATE OF TEXAS**

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing *Judgment of Court in Absence of Objection* has been sent via certified mail, return receipt requested, to the following on the 27th day of May, 2015.

**JUNIPER NORTHWEST FREEWAY-CREEKWOOD, LTD., A TEXAS LIMITED PARTNERSHIP (2/3)
and TCGI-CREEKWOOD, LLC, A DELAWARE LIMITED LIABILITY COMPANY (1/3)**
By and through their Attorney of Record: W. Allyn Hoaglund
909 Fannin Street, Suite 3030
Houston, Texas

Texas Capital Community Development Corporation, a Texas Corporation
Registered agent: David C. Fraser
2000 McKinney Avenue, Suite 700
Dallas, Texas 75201

Texas Capital Bank, National Association, a Texas State Bank
Registered agent: David C. Fraser
2000 McKinney Avenue, Suite 700
Dallas, Texas 75201

BERNARDO SOTO
11911 N.W. Freeway #117
Houston, Texas 77092

JOEL SOTO, A SINGLE MAN
11911 N.W. Freeway, #117
Houston, Texas 77092

July, 2012
Parcel 421
Page 1 of 7

EXHIBIT

County: Harris
Highway: US 290
Limits: From West of Pinemont to West of 34th Street (Segment 4)
ROW CSJ: 0050-09-090

Property Description for
Parcel 421

BEING a 0.4667 of an acre (20,331 square feet) parcel of land located in the Samuel Moore Survey, Abstract No. 550, Harris County, Texas, and being a portion of Chateau 290 Apartments, a subdivision of record under Volume 186, Page 51 of the Harris County Map Records (H.C.M.R.), and being a portion of that certain called 10.5349 acre tract of land conveyed from Creekwood Associates, L.P. to Juniper Northwest Freeway - Creekwood, Ltd. by deed dated November 19, 2004 and recorded under Harris County Clerk's File (H.C.C.F.) No. Y084581, Film Code No. 596-22-0229 of the Official Public Records of Real Property Harris County, Texas (O.P.R.O.R.P.H.C.T.); said 0.4667 of an acre tract being more particularly described by metes and bounds as follows:

COMMENCING at a found 5/8-inch iron rod and a found 1-inch iron pipe in the westerly line of said Chateau 290 Apartments and said 10.5349 acre tract, being the northerly corner of Lot 8, Block 3 Langwood Section Three, a subdivision of record under Volume 51, Page 73 of said Map Records, same being the southeasterly corner of that certain called 1,655 square foot tract of land conveyed from Joseph Charles Montalbano and wife, Carlene A. Montalbano to Harris County Flood Control District by deed dated April 30, 1974 and recorded under H.C.C.F. No. E189502, Film Code No. 195-19-0047 of said Official Public Records, thence as follows:

North 02°31'00" West, a distance of 52.18 feet along the westerly line of said Chateau 290 Apartments and said 10.5349 acre tract, being the easterly line of said 1,655 square foot tract to a set 5/8-inch iron rod with "GS" cap in the southerly line of that certain calculated 2.240 acre residus of a called 9.34 acre tract of land conveyed from R.A. Tanner and wife, Alma H. Lange Tanner to Leslie L. Appelt by deed dated October 18, 1960 and recorded under Volume 4178, Page 155 of the Deed Records of Harris County, Texas (D.R.H.C.T.), being the northeasterly corner of said 1,655 square foot tract, same being the northwesterly corner of said Chateau 290 Apartments;

North 87°31'50" East, a distance of 4.85 feet along the northerly line of said Chateau 290 Apartments, being the southerly line of said calculated 2.240 acre residus tract to a set 5/8-inch iron rod with Texas Department of Transportation (TxDOT) aluminum cap in the proposed southwesterly right-of-way line of U.S. Highway 290 (width varies) for the POINT OF BEGINNING of the herein described parcel having surface coordinates of N = 13,868,207.45, E = 3,084,229.08, located 162.55 feet right of and perpendicular to baseline station 2789+42.39;

- 1) THENCE, North 87°31'50" East, a distance of 44.23 feet continuing along the northerly line of said Chateau 290 Apartments and said 10.5349 acre tract, being the southerly line of said calculated 2.240 acre residus tract to a found 5/8-inch iron rod, being the southeast corner of said calculated 2.240 acre residue tract;

July, 2012
Parcel 421
Page 2 of 7

EXHIBIT

- 2) THENCE, North $03^{\circ}09'14''$ West, a distance of 5.28 feet continuing along the northerly line of said Chateau 290 Apartments and said 10.5349 acre tract, being the easterly line of said calculated 2.240 acre residue tract to a set 5/8-inch iron rod with "GS" cap in the existing southwesterly right-of-way line of U.S. Highway 290 (300' R.O.W. width), being the northeasterly corner of said Chateau 290 Apartments and said 10.5349 acre tract, said existing right-of-way conveyed to the State of Texas by deed dated July 19, 1962 and recorded under Volume 4861, Page 128, and by deed dated March 28, 1957 and recorded under Volume 3320, Page 379 both of said Deed Records;
- 3) THENCE, South $44^{\circ}54'48''$ East, a distance of 557.17 feet along the existing southwesterly right-of-way line of U.S. Highway 290, being the northeasterly line of said Chateau 290 Apartments and said 10.5349 acre tract to the northeasterly corner of Restricted Reserve "A", Block 1 Oak Forest Crossing, a subdivision of record under Film Code No. 529014 of said Map Records, being the easternmost corner of said Chateau 290 Apartments and said 10.5349 acre tract, from which a found 5/8-inch iron rod bears North $88^{\circ}09'$ West, 0.76 feet;
- 4) THENCE, South $88^{\circ}00'06''$ West, a distance of 20.06 feet along the northerly line of said Restricted Reserve "A", being the easterly line of said Chateau 290 Apartments and said 10.5349 acre tract to a set 5/8-inch iron rod with "GS" cap at the northwesterly corner said Restricted Reserve "A", being an angle point in the easterly line of said Chateau 290 Apartments and said 10.5349 acre tract;
- 5) THENCE, South $02^{\circ}28'54''$ East, a distance of 31.70 feet continuing along the easterly line of said Chateau 290 Apartments and said 10.5349 acre tract, being the westerly line of said Restricted Reserve "A" to a set 5/8-inch iron rod with TxDOT aluminum cap in the proposed southwesterly right-of-way line of U.S. Highway 290 and for the Beginning of an Access Denial Line, located 162.55 feet right of and perpendicular to baseline station 2795+35.21;
- 6) THENCE, North $44^{\circ}55'13''$ West, a distance of 592.82 feet along the proposed southwesterly right-of-way line of U.S. Highway 290 and along the Access Denial Line, passing at 135.60 feet a set 5/8-inch iron rod with TxDOT aluminum cap stamped "ADL" for the End of the Access Denial Line, passing at 535.21 feet a set 5/8-inch iron rod with TxDOT aluminum cap located 162.55 feet right of and perpendicular to baseline station 2790+00.00 and continuing to the POINT OF BEGINNING and containing 0.4667 of an acre (20,331 square feet) of land.**

Notes:

All horizontal coordinates are referenced to the Texas Coordinate System, North American Datum of 1983 (1993 Adjustment), South Central Zone. Texas Department of Transportation (TxDOT) monuments L1010202, N1020248, N1020238, N1020128, N1020327 and N1020247 were held fixed using their published horizontal values. The coordinate position for all points are based on GPS surveys meeting the standards of accuracy set forth in the Federal Geodetic Control Committee publication entitled Geometric Geodetic Accuracy Standards and Specifications for Using GPS Relative Positioning Techniques, reprinted with corrections August 1, 1989.

July, 2012
Parcel 421
Page 3 of 7

EXHIBIT ___

All surface values were derived utilizing the combined adjustment factors (sea level factor x scale factor) which have been developed by the State for its use as follows: Surface values are divided by a combined adjustment factor of 1.00013 to obtain grid values. Coordinates provided by client.

** The monument described and set in this call may be replaced with a TxDOT Type II right-of-way marker upon completion of the highway construction project under the supervision of a Registered Professional Land Surveyor, either employed or retained by TxDOT.

A parcel plat of even date was prepared in conjunction with this property description. Access is prohibited across the "Access Denial Line" to the highway facility from the remainder of the abutting property.

I certify that the survey was performed on the ground under my supervision in June, 2012.

Prepared By:
GeoSolutions, LLC
25814 Budde Road
Spring, Texas 77380
Tel. 281-681-9766



Mary E. Chruszczak
7-23-12

20120703 10:30:00 AM

NOTES:

1. DATUM STATEMENT

ALL HORIZONTAL COORDINATES ARE REFERENCED TO THE TEXAS COORDINATE SYSTEM, NORTH AMERICAN DATUM OF 1983 (1993 ADJUSTMENT), SOUTH CENTRAL ZONE, TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT) MONUMENTS L1010202, N1020248, N1020238, N1020128, N1020327 AND N1020247 WERE HELD FIXED USING THEIR PUBLISHED HORIZONTAL VALUES. THE COORDINATE POSITION FOR ALL POINTS ARE BASED ON GPS SURVEYS MEETING THE STANDARDS OF ACCURACY SET FORTH IN THE FEDERAL GEODETIC CONTROL COMMITTEE PUBLICATION ENTITLED GEOMETRIC GEODETIC ACCURACY STANDARDS AND SPECIFICATIONS FOR USING GPS RELATIVE POSITIONING TECHNIQUES, REPRINTED WITH CORRECTIONS AUGUST 1, 1989.

ALL DISTANCES AND COORDINATES SHOWN ARE SURFACE AND MAY BE CONVERTED TO GRID BY DIVIDING BY A COMBINED ADJUSTMENT FACTOR OF 1.00013.

2. GEOSOLUTIONS, LLC DID NOT RESEARCH OWNERSHIP OR EASEMENT INFORMATION. GEOSOLUTIONS HAS RELIED UPON POSTLE PROPERTY SERVICE, INC. FOR OWNERSHIP AND EASEMENT INFORMATION. ABSTRACTING WAS PERFORMED IN APRIL OF 2010 AND UPDATED APRIL 2012. FIELD SURVEYS WERE COMPLETED IN JUNE OF 2012, MAP SET COMPLETED IN JUNE OF 2012.

3. A PROPERTY DESCRIPTION OF EVEN DATE WAS PREPARED IN CONJUNCTION WITH THIS PARCEL PLAT.

4. ACCESS IS PROHIBITED ACROSS THE "ACCESS DENIAL LINE" TO THE HIGHWAY FACILITY FROM THE REMAINDER OF THE ADJUTING PROPERTY.

5. THE MONUMENT DESCRIBED AND SET MAY BE REPLACED WITH A TXDOT TYPE II RIGHT-OF-WAY MARKER UPON COMPLETION OF THE HIGHWAY CONSTRUCTION PROJECT UNDER THE SUPERVISION OF A REGISTERED PROFESSIONAL LAND SURVEYOR, EITHER EMPLOYED OR RETAINED BY TXDOT.

P.O.B.
PARCEL 421
N87° 31' 30" E
4.85'
N02° 31' 00" W
52.18'
P.O.C.
PARCEL 421

U.S. HIGHWAY 290

PARCEL 421
CALLED 10.5349 ACRES
PARENT TRACT INSET
N.T.S.

UNDERHILL ROAD

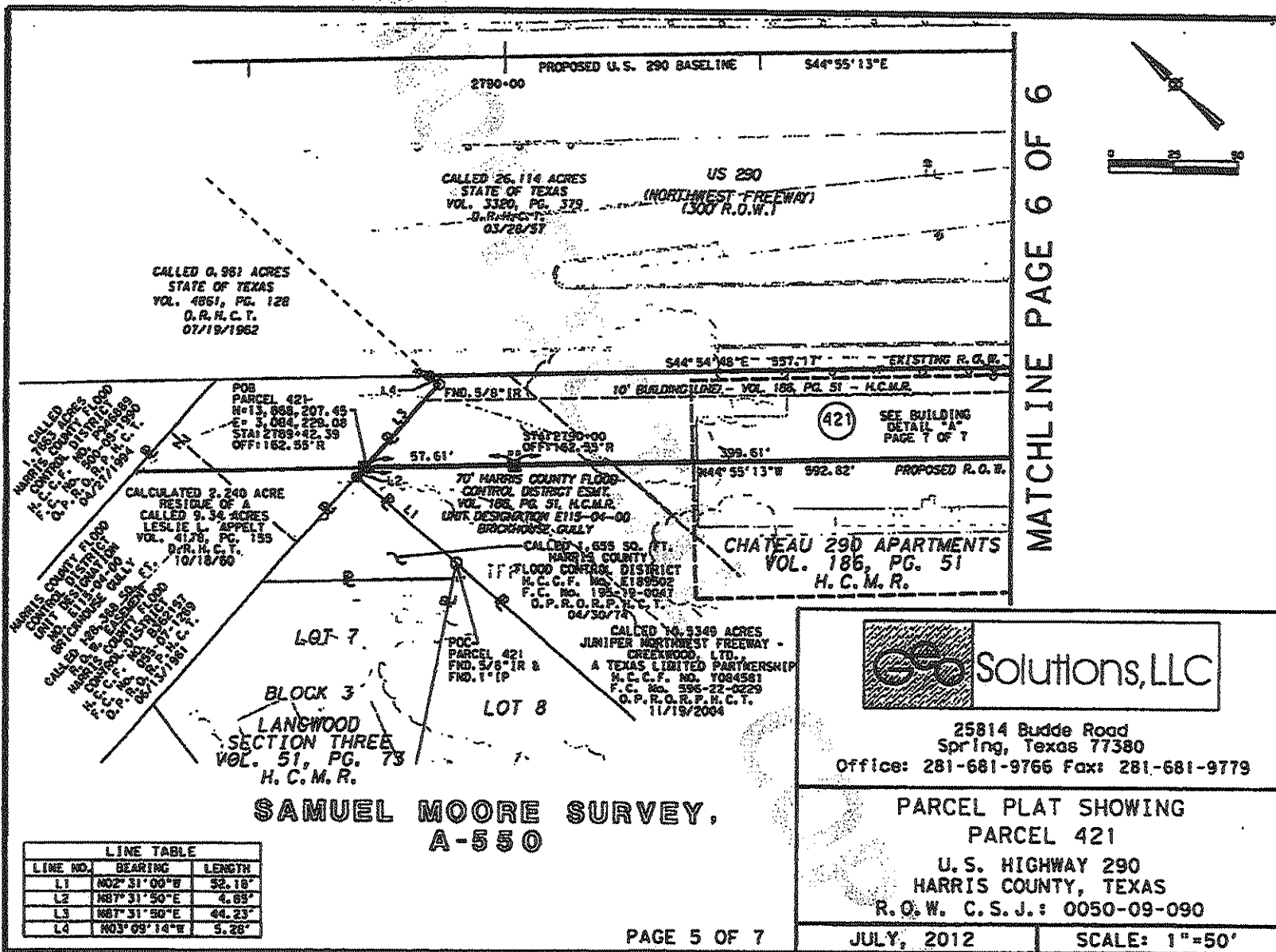


LEGEND	
	SET 5/8" IR W/TXDOT ALUM. CAP
ADL	SET 5/8" IR W/TXDOT ALUM. CAP STAMPED "ADL" (ACCESS DENIAL)
	FND 5/8" IR W/TXDOT ALUM. CAP
	SET 5/8" IR W/GS CAP (UNLESS NOTED)
	FND. (TYPE INDICATED AT LOCATION)
	PROPERTY LINE
	LAND/DOR
P.O.B.	POINT OF BEGINNING
P.O.C.	POINT OF COMMENCING
	SURVEY LINE
	PARCEL NUMBER
D.R.H.C.T.	DEED RECORDS HARRIS COUNTY TEXAS
O.P.R.O.R.P.H.C.T.	OFFICIAL PUBLIC RECORDS OF REAL PROPERTY HARRIS COUNTY TEXAS
	ACCESS DENIAL LINE
	PROPOSED R.O.W. LINE
	CITY LIMITS LINE
	EXISTING R.O.W. LINE
	SURVEY LINE



Mary E. Chruszczak
7-23-12

REVISIONS		
EXISTING	TAKING	REMAINING
10.5349 AC.	0.4667 AC. 20,331 SQ. FT.	10.0682 AC. RT
25814 Budde Road Spring, Texas 77380 Office: 281-681-9766 Fax: 281-681-9779		
PARCEL PLAT SHOWING PARCEL 421 U.S. HIGHWAY 290 HARRIS COUNTY, TEXAS R.O.W. C.S.J.: 0050-09-090		
JULY, 2012		SCALE: N.T.S.



CALLLED 0.961 ACRES
STATE OF TEXAS
VOL. 4851, PG. 128
O.R.H. C.T.
07/19/1962

CALLLED 26.114 ACRES
STATE OF TEXAS
VOL. 3320, PG. 379
O.R.H. C.T.
03/28/57

US 290
(NORTHWEST-FREEWAY)
(300' R.O.W.)

CALLLED 1.763 ACRES
HARRIS COUNTY FLOOD
CONTROL DISTRICT ESMT.
VOL. 100, PG. 51, H.C.M.R.
O.P.R.O.R.P.H.C.T.
04/27/1964

POB
PARCEL 421
N=13,688, 207.45'
E= 3,084, 229.08'
STA: 2789+42.39
OFF: 162.55'R

CALLLED 2.240 ACRE
RESIDUE OF A
CALLLED 9.34 ACRES
LESLIE L. APPELT
VOL. 4126, PG. 155
O.R.H. C.T.
10/18/60

70' HARRIS COUNTY FLOOD
CONTROL DISTRICT ESMT.
VOL. 100, PG. 51, H.C.M.R.
UNIT DESIGNATION E115-04-00
BROOKHURST, GRALY

CALLLED 1.655 SQ. FT.
HARRIS COUNTY
FLOOD CONTROL DISTRICT
H.C.C.F. NO. 218902
F.C. NO. 195-38-8047
O.P.R.O.R.P.H.C.T.
04/30/74

CHATEAU 290 APARTMENTS
VOL. 186, PG. 51
H.C.M.R.

CALLLED 14.9349 ACRES
JUNIPER NORTHWEST FREEWAY -
GREENWOOD, LTD.
A TEXAS LIMITED PARTNERSHIP
H.C.C.F. NO. 7084561
F.C. No. 596-22-0229
O.P.R.O.R.P.H.C.T.
11/19/2004

LINE TABLE		
LINE NO.	BEARING	LENGTH
L1	N02°31'00"W	52.18'
L2	N87°31'50"E	4.89'
L3	N87°31'50"E	44.23'
L4	N03°09'14"W	5.28'

SAMUEL MOORE SURVEY.
A-550



25814 Budde Road
Spring, Texas 77380
Office: 281-681-9766 Fax: 281-681-9779

PARCEL PLAT SHOWING
PARCEL 421
U.S. HIGHWAY 290
HARRIS COUNTY, TEXAS
R.O.W. C.S.J.: 0050-09-090

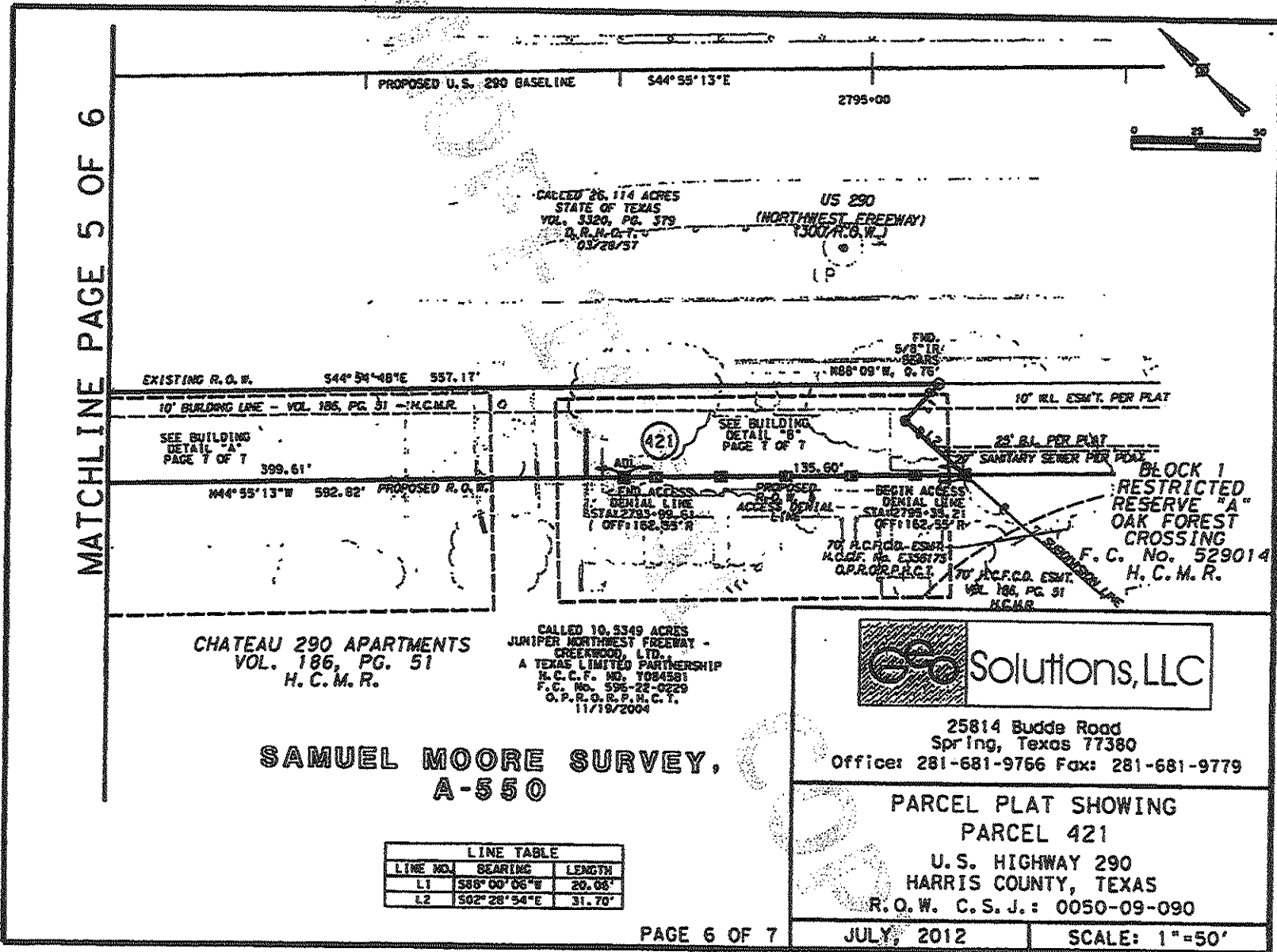
JULY, 2012 SCALE: 1"=50'

FILE: US290 S4 P-421B.dgn

MATCHLINE PAGE 6 OF 6

Exhibit 'A'
Page 5 of 8

MATCHLINE PAGE 5 OF 6



CHATEAU 290 APARTMENTS
VOL. 186, PG. 51
H. C. M. R.

CALLED 10.5345 ACRES
JUNIPER NORTHWEST FREEWAY -
CREEKWOOD, LTD.
A TEXAS LIMITED PARTNERSHIP
H.C.M.R. No. 108453
F.C. No. 596-22-0229
O.P.R.O.R.P.C.T.
11/19/2004

**SAMUEL MOORE SURVEY,
A-550**

LINE TABLE		
LINE NO.	BEARING	LENGTH
L1	S88°00'06"W	20.68'
L2	S02°28'54"E	31.70'



25814 Budde Road
Spring, Texas 77380
Office: 281-681-9766 Fax: 281-681-9779

PARCEL PLAT SHOWING
PARCEL 421

U. S. HIGHWAY 290
HARRIS COUNTY, TEXAS
R. O. W. C. S. J. : 0050-09-090

PAGE 6 OF 7

JULY, 2012

SCALE: 1"=50'

FILE: US290 S4 P-421C.dgn

Exhibit "A"
Page 6 of 8

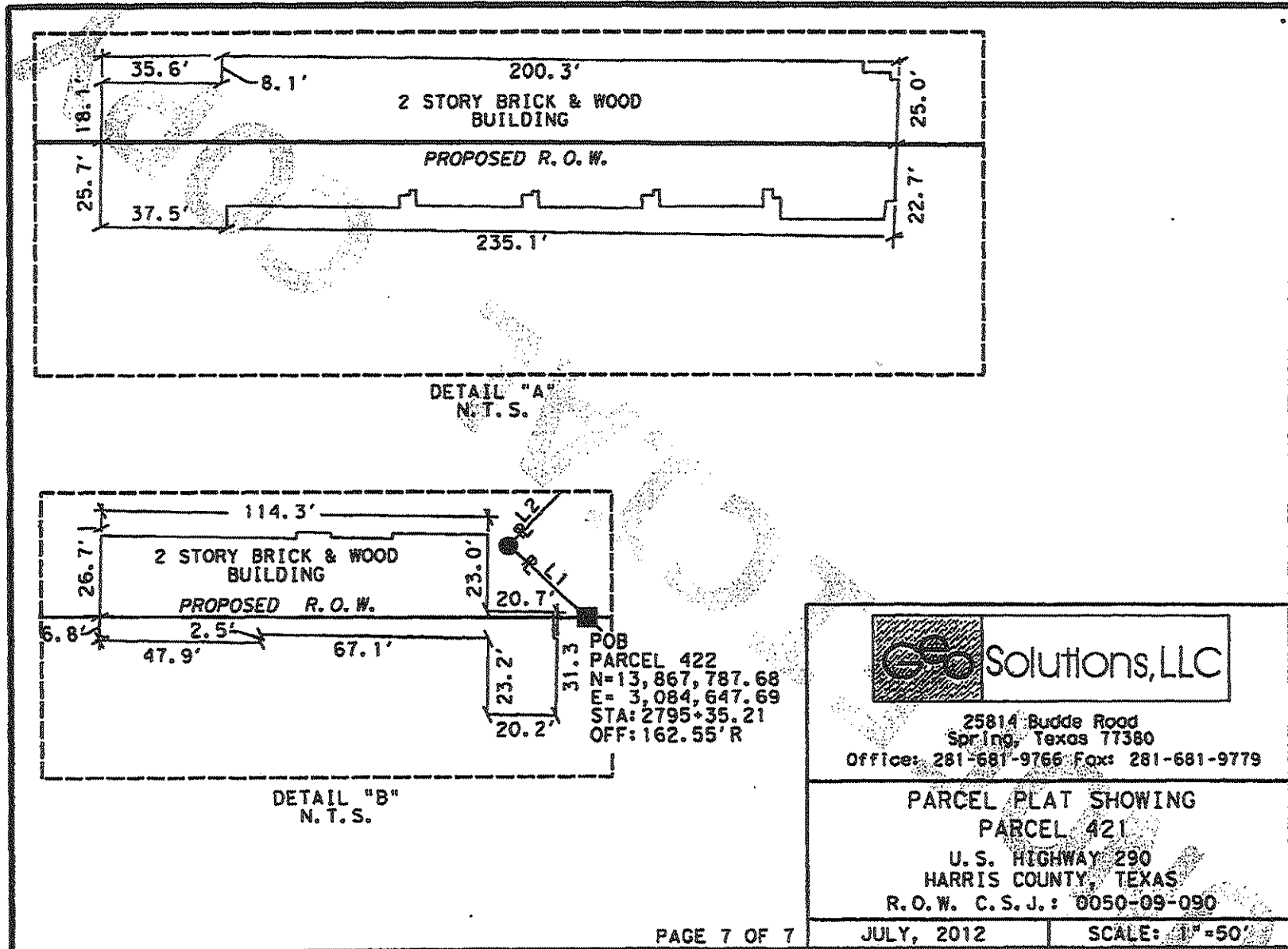


Exhibit "A"
Page 7 of 8

NOV-1-2008 4:00 PM

ROW CSJ 0050-09-090
Parcel 421
Bisection Clause Cat I

AND IN ADDITION THERETO:

Title to all of that Multifamily Building A and Multifamily Building B located partially on the remainder of the herein described parcel, said improvement(s) being bisected by the proposed right of way line with the result that the portion of the said improvement(s) lying adjacent to the said right of way line would be in such a condition that it could not be adequately reconstructed at such location, plus the temporary right to enter upon said remaining property for the sole purpose of removing all of the said improvements.

UNRECORDED

1m

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Ownership Transfer and material Land Use Restriction Agreement (“LURA”) amendment for Gulf Coast Arms Apartments (#12252)

RECOMMENDED ACTION

WHEREAS, Gulf Coast Arms Apartments received an award of 9% Housing Tax Credits in 2012 to re-construct 160 multifamily units in Houston;

WHEREAS, the tax credit application for the Development received points and/or other preferences for having a Historically Underutilized Business (“HUB”), namely J. Allen Management Co., Inc. (“J. Allen”), participate in the ownership of the Development;

WHEREAS, the LURA for the Development requires that throughout the Compliance Period, unless otherwise permitted by the Department, the HUB must hold at least a 51% ownership interest in the general partner and materially participate in the development and operation of the Development;

WHEREAS, the Development is within the Compliance Period, as defined in the LURA;

WHEREAS, the Development Owner requests approval to transfer the 51% HUB ownership interest in the General Partner to the 49%, non-HUB managing member, AHG Properties, LLC, and approval to eliminate the HUB requirement in the LURA; and

WHEREAS, 10 TAC §10.406(e) allows for a HUB general partner to sell its interest to a non-HUB general partner as long as the LURA does not require such continual ownership or a material LURA amendment is approved, and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board;

NOW, therefore, it is hereby

RESOLVED, that the ownership transfer and material LURA amendment for Gulf Coast Arms Apartments is approved as presented to this meeting and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Gulf Coast Arms Apartments was approved for a 9% Housing Tax Credit award out of the At-Risk set-aside in 2012 for the re-construction of 160 multifamily units in Houston. The LURA for the Development has a 40-year term and a 15-year compliance period. On November 2, 2015, the Development Owner (AHG

Properties, LLC – Lee Zieben) requested approval for the elimination of the requirement for a HUB to hold at least a 51% ownership interest in the General Partner and to materially participate in the development and operation of the Development throughout the Compliance Period. The current General Partner, Gulf Coast Arms GP, LLC, is jointly owned by AHG Properties, LLC, (“the Managing Member”) with 49% ownership interest and J. Allen with a 51% ownership interest. The request is to transfer the 51% ownership interest from J. Allen to the Managing Member, who will then hold 100% ownership interest in the General Partner.

J. Allen has been acting as the property manager for the property; however, ZG Real Estate Management Group, Inc. has been approved by the lender and the syndicator to become the new property manager on December 31, 2015. ZG Real Estate Management Group, Inc. and the General Partner are related parties. Since J. Allen will no longer be the property manager, they have requested that they be removed from the ownership structure and be relieved of their HUB obligations.

The Department’s rules at 10 TAC §10.406(e) allow transfers from a HUB to a non-HUB as long as the Board finds that: (1) the selling HUB is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner; (2) the participation by the HUB has been substantive and meaningful, or would have been substantial and meaningful had the HUB not defaulted under the organizational documents of the Development Owner, enabling it to realize not only financial benefit but to acquire skills relating to the ownership and operation of affordable housing; and (3) the proposed purchaser meets the Department’s standards for ownership transfers. In this case, J. Allen jointly signed the amendment request to the Department with the Managing Member to remove themselves from the ownership structure and the HUB requirement in the LURA. The request letter also states that J. Allen played an instrumental role during the development and lease up phase not only as the management agent but also in handling all of the relocation to and from the property. As a management agent with over 25 years of affordable housing property management experience, J. Allen was able to provide valuable advice and insight during the design process.

Staff has confirmed that while the loss of the two (2) points previously awarded for the HUB participation would have resulted in a lower score, the Application would have remained competitive to receive an award of tax credits. The Owner has complied with the ownership transfer, amendment and notification requirements under the Department’s rule at Government Code §2306.6712, 10 TAC §10.405(b) and 10 TAC §10.406(e). The Owner will provide opportunity for public input at a public hearing to be held on December 8, 2015, at 10:00 am.

Staff recommends approval, subject to no negative public comment received, of the ownership transfer and the elimination of the LURA requirement for participation of a HUB in the ownership structure and operation of the Development.

November 2, 2015

Texas Department of Housing & Community Affairs
 Attn: Lucy Trevino
 221 East 11th Street
 Austin, TX 78701

**RE: Ownership Transfer and HUB Removal Request
 Gulf Cast Arms Apartments, HTC 12252, CMTS ID 4880**

Dear Lucy:

We hereby request an Ownership Transfer and HUB removal for Gulf Coast Arms Apartments. J. Allen Management Company, Inc. (J. Allen) is currently the Property Management Agent and HUB for the project. The General Partner is Gulf Coast Arms GP, LLC. AHG Properties, LLC (AHG) owns 49% and J. Allen Management Co., Inc. has 51% ownership interest due to the required HUB structure. J. Allen will be transferring its 51% interest and stepping down as the Property Management Agent for the project. See Figure 1.1 below current and new ownership structure.

Figure 1.1

Current Ownership Structure

Gulf Coast Arms Apartments



New Ownership Structure

Gulf Coast Arms Apartments





J Allen (the HUB and Property Manager) has requested that they be removed as ZG Real Estate Management Group, Inc. (ZG Management) will become the new Property Management Agent and has been approved by Community Bank of Texas, the City of Houston, and the U.S. Department of Housing and Urban Development. Alden Torch Financial, LLC (Syndicator) is in its final stages of their approval process. We anticipate that their approval of the management agent will be finalized by November 6, 2015.

J. Allen has over 25 years of affordable housing property management experience and played an instrumental role during the development and lease up phase not only as the management agent but handling all of the relocation to and from the property. As a management agent of several thousand Sec 8 subsidized units, J Allen was able to provide valuable advice and insight during the design process.

We feel fortunate to have had such an experienced HUB.

The transfer of ownership is not based upon a sale of the partnership or buyout but solely for the reason that they will no longer be the management agent and they have requested that they be removed as the HUB. Our attorney is in the process of preparing the ownership transfer documents for the partnership change. J. Allen has agreed to remain as the HUB until December 31, 2015.

Per the requirements of Chapter 10, Subchapter E of the 2015 Uniform 2015 Multifamily Housing Rules, Notices will also be sent out to Residents and State and local officials regarding the requested change on November 20, 2015. We will hold a public hearing on December 9, 2015 at the project site. We will forward a draft of the Public Notice to the Department for review on or before November 23, 2015.

Please find enclosed an amendment fee in the amount of \$2,500.00 to process the request. Please contact us if you should have any questions and we look forward to your response.

Regards,

AHG PROPERTIES, LLC



Lee Zieben
Managing Member
Date: 11/2/2015

J. ALLEN MANAGEMENT COMPANY, INC.

Joshua W. Allen Sr.
Title: _____
Date: _____



J Allen (the HUB and Property Manager) has requested that they be removed as ZG Real Estate Management Group, Inc. (ZG Management) will become the new Property Management Agent and has been approved by Community Bank of Texas, the City of Houston, and the U.S. Department of Housing and Urban Development. Alden Torch Financial, LLC (Syndicator) is in its final stages of their approval process. We anticipate that their approval of the management agent will be finalized by November 6, 2015.

J. Allen has over 25 years of affordable housing property management experience and played an instrumental role during the development and lease up phase not only as the management agent but handling all of the relocation to and from the property. As a management agent of several thousand Sec 8 subsidized units, J Allen was able to provide valuable advice and insight during the design process. We feel fortunate to have had such an experienced HUB.

The transfer of ownership is not based upon a sale of the partnership or buyout but solely for the reason that they will no longer be the management agent and they have requested that they be removed as the HUB. Our attorney is in the process of preparing the ownership transfer documents for the partnership change. J. Allen has agreed to remain as the HUB until December 31, 2015.

Per the requirements of Chapter 10, Subchapter E of the 2015 Uniform 2015 Multifamily Housing Rules, Notices will also be sent out to Residents and State and local officials regarding the requested change on November 20, 2015. We will hold a public hearing on December 9, 2015 at the project site. We will forward a draft of the Public Notice to the Department for review on or before November 23, 2015.

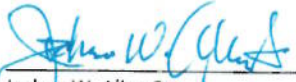
Please find enclosed an amendment fee in the amount of \$2,500.00 to process the request. Please contact us if you should have any questions and we look forward to your response.

Regards,

AHG PROPERTIES, LLC

Lee Zieben
Managing Member
Date: 10/29/2015

J. ALLEN MANAGEMENT COMPANY, INC.



Joshua W. Allen Sr.
Title: HUB PARTICIPANT
Date: 11/02/15



November 23, 2015

Texas Department of Housing & Community Affairs
Attn: Lucy Trevino
221 East 11th Street
Austin, TX 78701

**RE: Follow-Up to E-mail Request from Lucy Trevino on November 20, 2015
Ownership Transfer and HUB Removal Request
Gulf Coast Arms Apartments, HTC 12252, CMTS ID 4880**

Dear Lucy:

We are providing the required response to your e-mail request dated November 20, 2015 regarding the removal of the HUB for Gulf Coast Arms Apartments (the Project).

J. Allen Management (J. Allen) has served as the HUB participant of the project since 2012. J. Allen partnered with the Developer to serve not only as the HUB, but also as Co-Developer, Relocation Consultant and Property Management agent. J. Allen has extensive experience with the management of Section 8 affordable housing.

J. Allen also served as a Co-Developer to assist with the development and design of the project. During the construction phase, J. Allen provided assistance in the overall development process, architectural planning, and construction budget oversight. Also during the construction phase, J. Allen orchestrated and controlled the entire Relocation process for all of the residents. Additionally, they served as the property management agent before, during and after the relocation process occurred.

The project was completed in 2014 and has entered into its Affordability period. J. Allen has been removed as the Property Management agent as of November 6, 2015. ZG Real Estate Management Group, Inc. currently serves as the management agent and has successfully taken over management of the property.

Overall, J. Allen was a vital asset to the project due to their extensive affordable housing experience, specifically in Section 8 subsidized housing. They provided the services that the Developer needed to successfully develop and operate the property during the pre and post-construction phases.

J. Allen has provided all agreed upon services listed in our original TDHCA application. J. Allen and the General Partner of project further request that the removal of the HUB be granted.

Please feel free to contact us if you have any additional questions.

Regards,
Gulf Coast Arms, Ltd.
By its General Partner,
Gulf Coast Arms GP, LLC



Lee Zieben
Managing Member

1n

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action to approve a waiver of 10 TAC, §10.101(a) for Prairie Gardens in Abilene (#14182).

RECOMMENDED ACTION

WHEREAS, Prairie Gardens received an award of 9% Housing Tax Credits during the 2014 competitive cycle to newly construct 48 multifamily units targeting the elderly population in Abilene;

WHEREAS, a portion of the Development is located within the 100-year floodplain;

WHEREAS, 10 TAC §10.101(a)(1), involving Developments located within a 100-year floodplain, requires drive areas to be no lower than six inches below the flood plain;

WHEREAS, the location of the main ingress and egress to the Development must be connected to a public street that is 2.55 feet below the floodplain;

WHEREAS, approximately 240 square feet of the Development's main ingress and egress is 6.33 inches below the flood plain and would need to be elevated 2.25 feet to connect to the public street;

WHEREAS, elevating the entry drive 2.25 feet would cause a 14.6% slope that exceeds the 8.33% limits specified by the city's code and would present a hazardous impediment for the senior residents and possible damage to vehicles;

WHEREAS, the Development will continue to have a second ingress/egress access point that is not affected by the floodplain; and

WHEREAS, the Development Owner is requesting approval of a waiver of the restrictions in 10 TAC §10.101(a)(1) to allow approximately 240 square feet of the main ingress and egress to exceed six inches below the floodplain.

NOW, therefore, it is hereby

RESOLVED, that the waiver request for Prairie Gardens, regarding 10 TAC §10.101(a)(1) is approved as presented to this meeting and the Executive Director and his designees are each hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

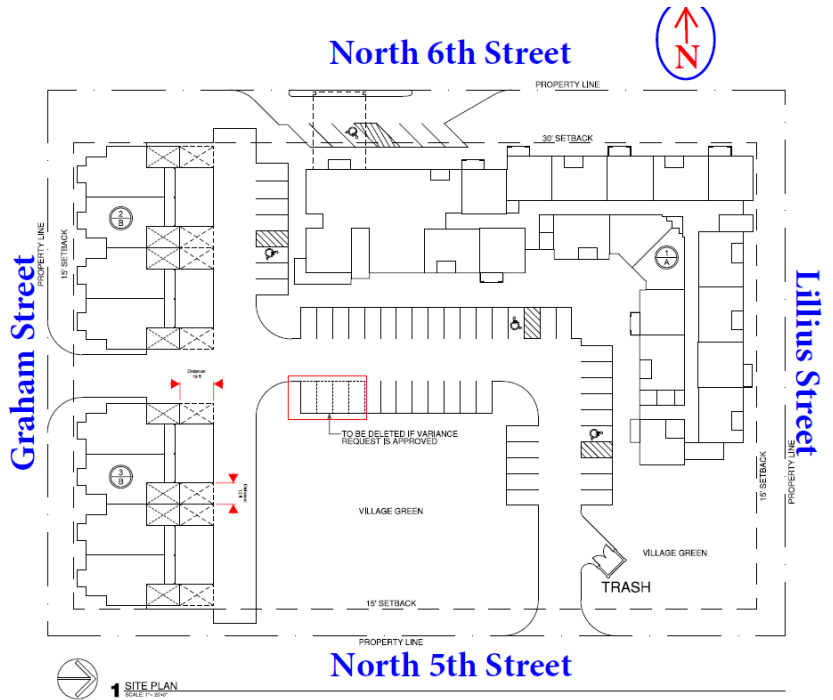
BACKGROUND

Prairie Gardens was submitted and approved during the 2014 9% Housing Tax Credit cycle. The application and Environmental Site Assessment for Prairie Gardens indicated that a portion of the perimeter and driveway was located within the 100-year floodplain. The underwriting report specifies that by cost certification, an architect or engineer must provide a 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 six inches below the floodplain. The Development is currently under construction. The Development Owner states the finished floor of all of the buildings will be a minimum of one foot above the floodplain, the parking will not exceed six inches below the floodplain, and all of the drives, except the approximate 240 square foot section of the main ingress/egress, will not exceed six inches below the floodplain.

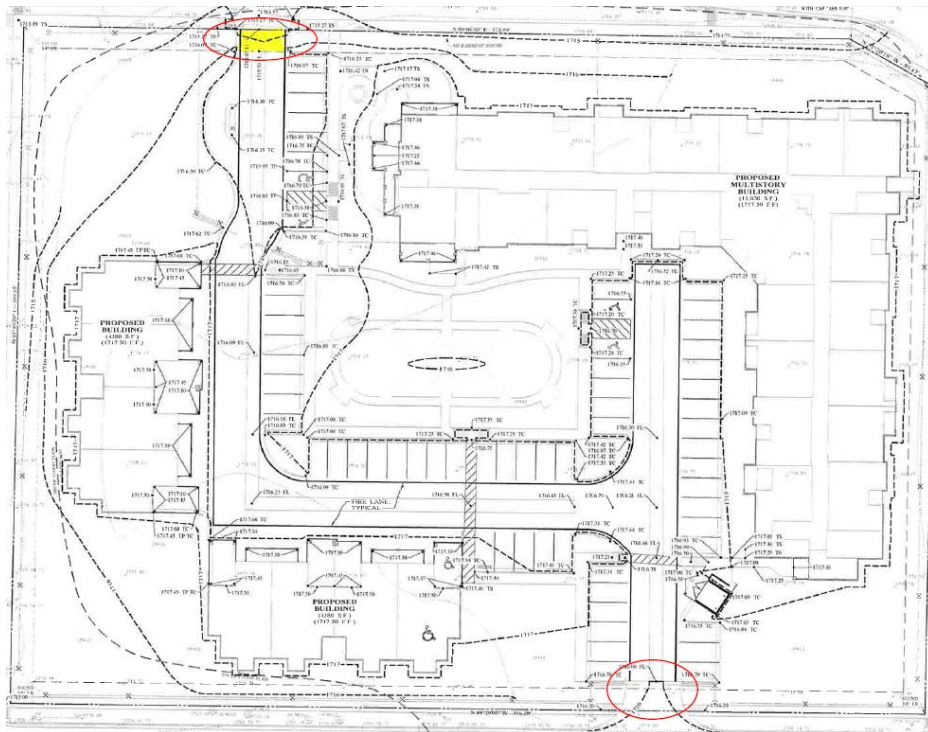
On November 11, 2015, the Development Owner submitted a request for a waiver of 10 TAC §10.101(a)(1) to allow an approximate 240 square foot section of the main ingress/egress to exceed six inches below the floodplain. The section of the Development that would be affected by the floodplain restrictions is minimal and only represents .0018% of the total site acreage. The main ingress/egress for the tenants also serves as the only ingress to the property for guests. The Development Owner explained that the adjacent street is 2.25 feet below the floodplain. If the ingress/egress is elevated to comply 10 TAC §10.101(a)(1), then it would create a 14.6% slope that exceeds the maximum 8.33% slope allowed by the city's building code. Although the City of Abilene will reluctantly allow the ingress/egress to exceed a 8.33% slope, the Development Owner, architect, and engineer each agree that this would present a hazardous impediment for the elderly tenants and would cause damage to vehicles that would "bottom out" when turning into the property from the adjacent street. Therefore, the Development Owner requests a waiver to allow the approximate 240 square foot section of the ingress/egress affected by the floodplain to be constructed with an 8.33% slope in accordance with the city code. The section would be an additional 6.33 inches, or total a total of 1.33 feet, below the floodplain. However, the property's second ingress/egress will not be affected by the floodplain and will be in compliance with 10 TAC §10.101(a)(1). The second ingress/egress will also be accessible as an egress from the property by guests.

Staff recommends approval of the Development Owner's request for a waiver of 10 TAC §10.101 (a)(1) for the approximate 240 square feet of the ingress/egress identified in the site plan that follows.

Site Plan at Application



Revised Site Plan





November 10, 2015

Via Email (leeann.chance@tdhca.state.tx.us)

Ms. Lee Ann Chance
Asset Manager
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: 14182 Prairie Gardens – 9% HTC – Waiver Request

Dear Ms. Chance:

Please accept this letter as a formal request to waive certain portions of §10.101(a)(1) of the Uniform Multifamily rules regarding Floodplain. Specifically, we are requesting that “*the parking and drive areas are no lower than six inches below the floodplain*” be waived for a small portion of the development site.

A portion of the development site is situated in the 100 year floodplain. As such we are required to ensure that all parking and drive areas are no lower than 6 inches below the floodplain. We are requesting TDHCA waive this requirement for approximately 240 sf at the entry drive area.

For reference the floodplain elevation is 1,716 feet. Our site at the property line is 1,716.30 feet. The entirety of North Sixth Street, which runs adjacent to our site, and provides main ingress and egress to our site is 2.25 feet below the floodplain.

To connect the street to our property line ingress, the entry drive would have to come up 2.55 feet to our site over a length of approximately 12 feet, resulting in an ingress/egress slope of approximately 14.6%. The city of Abilene’s code requires a slope to be no greater than approximately 8.33%. While we have received reluctant approval from the City of Abilene to increase the slope to 14.5% to meet TDHCAs requirement to have all drive and parking areas no lower than 6 inches below the floodplain, it is the unanimous opinion of the Owner, architect and civil engineer that a 14.6% slope is too steep and would be a hazardous impediment for the senior residents and any vehicle attempting to enter the property. The steep slope would cause cars to “bottom out” when making the left hand turn from North Sixth Street into the property entrance causing damage to vehicles and to the property.

The area affected is approximately 240 sf out of the total site acreage of 127,872sf. This is approximately .0018% of the total site area. Approval of the waiver request would allow 240 sf of the entry drive to be at an elevation of 1714.67 or 1.33 feet below the floodplain. This is an additional 6.33 inches lower than the 6 inch maximum depth allowed under the rules. It should also be noted that as Abilene City code requires two ingress/egress access points, residents have the ability enter and exit the property at a secondary drive that is not impacted by floodplain. This secondary drive is located on 5th Street as noted on the attached site plan.

We request TDHCA approve a waiver of §10.101(a)(1) of the Uniform Multifamily rules to allow a de minimis portion of the site, approximately 240 sf of the entry drive, to be at a grade of 8.33% and below the base floodplain. All other parking and drive areas will be no greater than 6 inches below floodplain, and the finished floor of all buildings will be a minimum of 1 foot above floodplain. This reasonable accommodation will greatly improve the entrance to the property and the experience of residents, as well as reduce long-term maintenance requirements of the entry drive.

Attached is an engineered site plan depicting the portion of the drive would be affected by this change.

Should any additional information be required please contact myself at valentind@dmacompanies.com or at 512-328-3232 ext. 4514.

Sincerely,

DMA DEVELOPMENT COMPANY, LLC

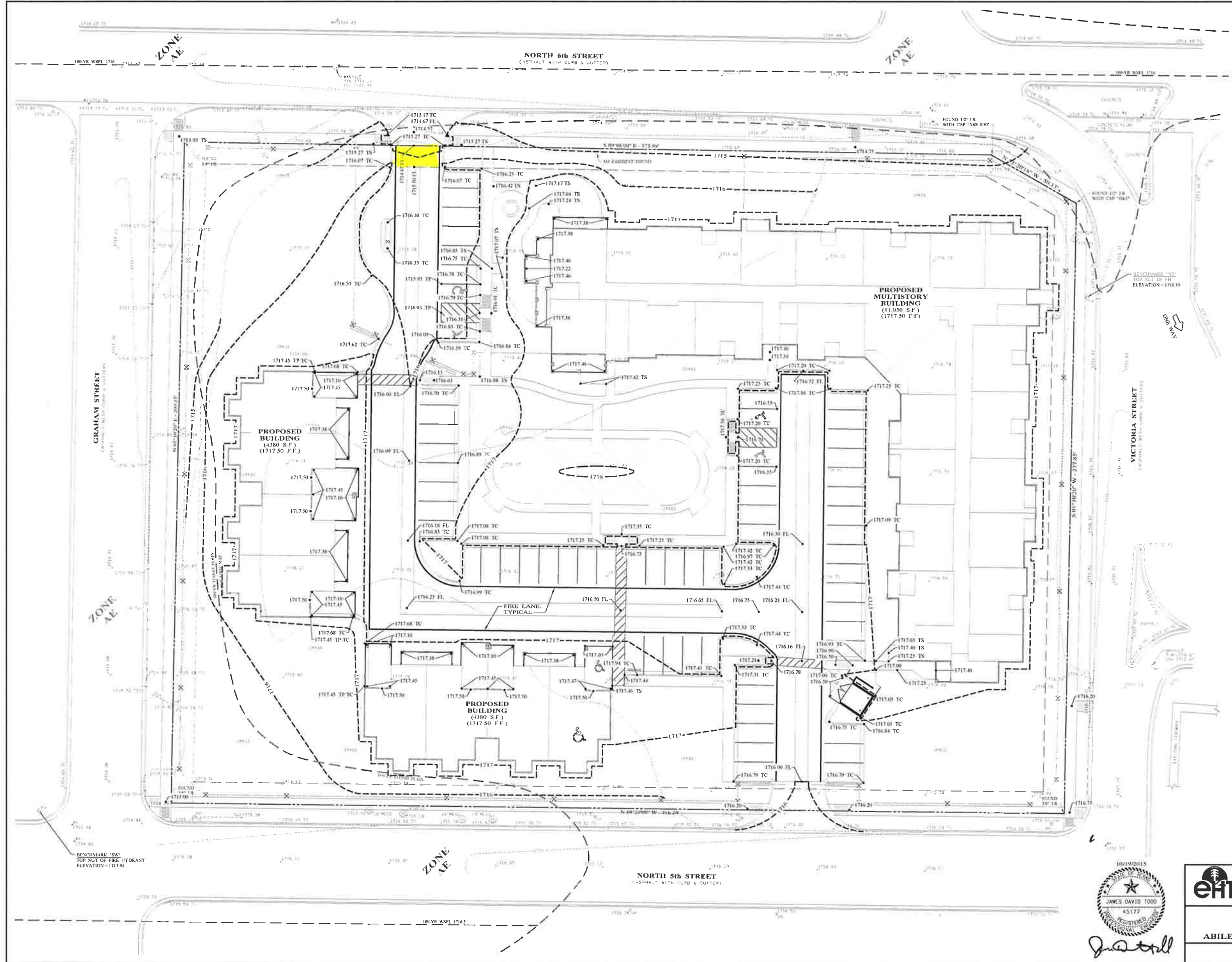


Valentin DeLeon
Development Coordinator

Enclosures



- LEGEND**
- SANITARY SEWER MANHOLE
 - GAS RISER
 - FIRE HYDRANT
 - WATER VALVE
 - LIGHT POLE
 - POWER POLE
 - GUY POLE
 - GUY ANCHOR
 - BASE FLOOD ELEVATIONS DETERMINED
- ZONE AE**



REVISED: 10/19/2015
 REVISED: 09/21/2015
 REVISED: 08/05/2015
 REVISED: 07/28/2015
 REVISED: 06/15/2015



<p>ENPROTEC/HIBBS & TODD, INC. ENVIRONMENTAL AND CIVIL ENGINEERING 847 Cedar Street 815 Park Boulevard, Suite 112 Abilene, Texas 79601 P.O. Box 24040 Abilene, Texas 79624 817.342.1100 www.enprotec.com</p>	14-6181 PROJECT NO.
	03/31/2015 DATE
	J.D.T. DESIGNED BY: JK DRAWN BY: J.D.T. CHECKED BY:
CONSTRUCTION PLANS FOR PRAIRIE GARDENS ABILENE, TAYLOR COUNTY, TEXAS	
GRADING PLAN	
4 OF 7	

10

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action regarding a Placed in Service deadline extension for a Development located in a major disaster area as allowed under Section 6 of IRS Revenue Procedure 2014-49 for Barron's Branch (HTC # 13187).

RECOMMENDED ACTION

WHEREAS, Barron's Branch, LLC ("Development Owner") was allocated \$963,900 in 9% Housing Tax Credits in 2013 to construct Barron's Branch (the "Development"), a family development consisting of 92 new multifamily units in Waco, McLennan County;

WHEREAS, the Development Owner is required by the Carryover Allocation Agreement and Internal Revenue Code ("IRC") §42(h)(1) to place each building in service by no later than December 31, 2015;

WHEREAS, Internal Revenue Service ("IRS") Revenue Procedure 2014-49, allows for and the Development Owner is requesting an extension to the placed in service deadline because the buildings are located in a major disaster area declared a major disaster area during the two year period described in IRC §42(h)(1)(E)(i) and the Development Owner plans to place the Development in service no later than December 31 of the year following the end of the two year period;

WHEREAS, the Owner is requesting disaster relief in the form of an extension to the Development's placed in service deadline from December 31, 2015, to March 31, 2016;

WHEREAS, on Friday, May 29, 2015, initial notice was given that the President issued a major disaster declaration under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to excessive rain and flooding, and the notice was amended on Wednesday, July 22, 2015, and on Thursday, July 30, 2015, to include McLennan County in a list of Texas counties eligible to receive individual and public assistance;

WHEREAS, the Development Owner indicates weather-related delays were anticipated in the construction schedule but that excessive rain has exceeded their estimates by 50 calendar days and that there is a risk that the Development will not be able to meet the December 31, 2015, deadline to place each building in service;

WHEREAS, aside from delaying the availability of affordable units the requested extension does not negatively affect the Development or impact the long term viability of the transaction and the 60 days of relief is commensurate with the delay which occurred and does not exceed the relief period specified in IRS Revenue Procedure 2014-49; and

WHEREAS, under 10 TAC §10.405(d), staff has determined that Board approval is warranted based on the extenuating circumstances in the Owner's request;

NOW, therefore, it is hereby

RESOLVED, that recommended 60 day placed in service deadline extension is hereby approved and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Barron's Branch was awarded credits in 2013 under the 9% Housing Tax Credit program. The property is a 92 unit, family population, new construction property located in Waco. The Owner, Barron's Branch, LLC is co-managed by Saigebrook Development, LLC (.0040%) and Waco Development Associates, LLC (.0060%). Saigebrook Development, LLC is solely owned by Lisa Stephens and is a registered Texas HUB. Waco Development Associates, LLC is owned by Louis Wolfson III (50%) and David Deutch (50%).

The Development Owner submitted a letter dated November 18, 2015, to the Department requesting an extension to the required placed in service date in accordance with IRC §42(h)(1) and the Development's Carryover Allocation Agreement. The Owner is seeking the relief under IRS Procedure Ruling 2007-54 (superseded and modified by IRS Procedure Ruling 2014-49) relating to Owners of low-income buildings and housing credit agencies of States in major disaster areas declared by the President.

According to the Development Owner, the project was originally scheduled to be completed by October. Although the construction scheduled included time for anticipated delays related to the weather, the excessive number of rain days this year exceeded the estimate. In October, the Development hired a Construction Manager ("CM") to help the General Contractor with construction scheduling, material ordering, and general timeline coordination in an effort to recover from the construction delays. The CM is on-site two days a week, makes a completion assessment, assists with determining completion needs for the week, and updates the schedule each week. The CM also assists in finding areas to recover lost days and works to keep the project on target for completion by the end of the year. The Development Owner is concerned that circumstances beyond their control, such as additional requirements by the Fire Marshall or change orders, will jeopardize their ability to place in service by the December 31, 2015, deadline required in the Carryover Allocation Agreement. Therefore, the Development Owner requests to extend the placed in service deadline 91 days to March 31, 2016.

The Owner's request has referred to the FEMA Notices of Major Disaster Declaration released on May 29, 2015, as well as the amended notices released on July 22, 2015, and July 30, 2015, that confirm the President's issuing of a major disaster declaration due to damage in the State of Texas resulting from severe storms, tornadoes, straight-line winds, and flooding during the period of May 4, 2015 – June 22, 2015. The amended notices released on July 22, 2015, and July 30, 2015, included McLennan County as a county designated by FEMA for Individual and Public Assistance under the President's disaster declarations and therefore meets the requirements of Section 4 of the Revenue Ruling for purposes of determining whether the Owner is eligible to request relief provisions.

In accordance with IRS Revenue Procedure 2014-49, Section 6.03, as an Owner affected by Presidentially declared disaster, the Owner is requesting the Department's approval for the carryover allocation relief. The agency, as directed by the Procedure, may approve such relief only for projects whose Owners cannot reasonably satisfy the deadlines of IRC §42(h)(1)(E) because of an event or series of events that led to a major disaster declaration under the Stafford Act. The Department's determination may be made on an

individual project basis or the agency may determine, because of the extent of the damage in a major disaster area, that all Owners or a certain group of Owners in the major disaster area warrant the relief. In accordance with Section 7.02, the agency has the discretion to provide less than the full amount of relief allowed or no relief based on all the facts and circumstances. The Department will report any approved relief on the Form 8610, due to the IRS on February 28, 2016.

The Development Owner indicates they are making all efforts to still meet the current placed in service deadline. The Owner's letter states that 50 calendar days in excess of the allowance for lost days were attributed to inclement weather. Therefore, although the Owner is requesting 91 days, staff is recommending a 60 day extension to February 29, 2016, to address any further unanticipated and uncontrollable construction delays that the Development might experience.

Extension requests are normally considered under the Uniform Multifamily Rules, Subchapter E, 10 TAC § 10.405(d); however, extensions are only considered in this section if the original deadline associated with carryover, the 10 Percent Test, or cost certification requirements will not be met. The provisions in the Rule do not specifically address extensions to the placed in service deadline and the Department's Carryover Allocation Agreement states that no extension of the deadline to place in service can be made. The IRS, however, provides for the subject disaster related extension. Staff has the ability, in accordance with provisions in 10 TAC §10.405(d), to bring to the Board material determinations that warrant Board approval due to extraordinary circumstances such as those discussed above.

Staff recommends approval of the extension request.



Gary J. Cohen
Partner
DIRECT (305) 347-7308
FAX (305) 347-7808
EMAIL GCOHEN@SHUTTS.COM

November 18, 2015

Mr. Tom Gouris
Deputy Executive Director for Housing Programs
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Barron's Branch in McLennan County, Texas (the "Development");
TDHCA No. 13187

Dear Mr. Gouris:

Our firm represents Barron's Branch, LLC (the "Owner"). Owner was allocated \$963,900 of low income housing tax credits from the Texas Department of Housing and Community Affairs ("TDHCA") in 2013. Pursuant to the carryover allocation agreement entered into in connection with such award (and Section 42(h)(1)(E)(i) of the Internal Revenue Code), the Development is required to be "placed in service" by December 31, 2015. Our firm represents Owner, and this letter is sent on Owner's behalf.

The Development has incurred significant weather delays (50 calendar days in excess of the allowance for lost days contained in the construction contract for the Development). See Exhibit A attached for a breakdown of the lost calendar days attributable to weather, as contained in change orders from the Development's general contractor to Owner.

Owner is striving to complete the Development by December 31, 2015 and believes that construction can be completed by the end of the year; however, in order avoid the significant hardship (i.e., loss of all low-income housing tax credits) which would result from failure to meet the December 31, 2015 deadline and to insure that Owner has sufficient to complete the Development in a satisfactory manner, Owner is hereby requesting a three month extension of the deadline to place the Development in service to March 31, 2016. This request is being made pursuant to IRS Revenue Procedure 2014-49 and Section 10.405(d) of the TDHCA 2015 Uniform Multifamily Rules.

Section 7.02 of the Revenue Procedure permits TDHCA to grant an extension until December 31, 2016 with respect to the "placed in service" deadline for the Development. As referenced above, Owner is requesting a shorter extension, as is reasonable and necessary to complete the Development.

The Revenue Procedure requires (as a prerequisite to the requested relief) that a "Major Disaster" have occurred and that the development seeking relief be located within a "Major

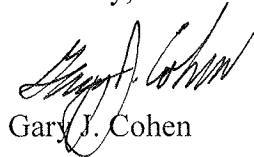
Mr. Tom Gouris
November 18, 2015
Page 2

Disaster Area”, all is more fully set forth in Revenue Procedure 2014-49. The declaration of “Major Disaster” occurred on May 29, 2015 by FEMA-4223-DR. Amendment No. 12 to such pronouncement (published August 4, 2015) added McLennan County to the list of counties eligible for relief under the aforementioned Notice. As such, the Development is eligible for the requested relief.

As is indicated by the documentation included as Exhibit A, the 50 calendar days of construction lost as a result of the severe storms giving rise to the declaration of Major Disaster (such days representing the excess of total days lost over the allowance for lost days contained in the construction contract) has moved proposed completion of the Development perilously close to the December 31, 2015 deadline; hence, the necessity of the Owner to request an extension of such deadline until March 31, 2016.

Thank you for your consideration of this request. If you have any questions, please contact Lisa Stephens (the Owner’s Vice-President) at 352-213-8700.

Sincerely,



Gary J. Cohen

GJC/mar
Enclosure

MIADOCS 11872865 1



Wm. Taylor & Co.
 220 Kelly Drive
 Waco TX 76710-5754
 254 772-9675

Change Order

Order#: SIX

Order Date: 02/18/2015

License:

To: Barron's Branch, LLC
 9400 S. Dadeland Blvd.
 Suite 100
 Miami FL 33156

Project: 2013800
 Barron's Branch Apartments
 1401 North 9th Street
 Waco TX 76707

The contractor agrees to perform and the owner agrees to pay for the following changes to this contract

Plans Attached

Ordered By:

Customer Order:

Specifications Attached

Description of Work	Amount
---------------------	--------

Weather Delays in September 2014 thru January 2015

Total Net of 11 Calendar Days Lost After Allowance for Lost Days per the attached memorandum.

Added Days Requested Retaining Wall Construction

Total of 32 Calendar Days Lost Waiting for Retaining Walls Added in Previous Approved Change Order to be completed before we could complete foundation work.

Added Days Requested Waiting for Oncor Underground

Total of 34 Calendar Days Lost waiting for Oncor to furnish and install Primary Conduit delaying our concrete paving which held up Fire Marshall Approval of Starting Framing Work.

Notes

Approved Amount of Change

0.00

The original Contract Sum was	8,525,000.00
Net change by previous Change Orders	170,033.00
The Contract Sum prior to this Change Order	8,695,033.00
The Contract Sum will be changed by this Change Order	0.00
The new Contract Sum including this Change Order will be	8,695,033.00
The Contract Time will be changed by	77 Days

Approved

Date

[Signature]
2/18/15

Date

2-19-15

Contractor

[Signature]

Owner

[Signature]

Memorandum

Date: February 19, 2015
To: Ms. Lisa Stevens
From: Ford Taylor
Project: Barron's Branch I
Subject: Weather Delays

Lisa,

I apologize for the tardiness in sending this change order request for weather delays for the above referenced project to you, but I thought our previous Project Manager was sending notice to you on a monthly basis. We are requesting additional days for completion of this project due to rain, cold or adverse weather conditions including the following days lost:

<u>November, 2014</u>	11-5	-	Rain All Day	
	11-6	-	Too Muddy	
	11-7	-	Too Muddy	
	11-11	-	Too Cold	
	11-12	-	Too Cold	
	5 days lost	-	2 Days Allowed	= <u>3 Days Lost</u>
<u>December, 2014</u>	12-15	-	Rain	
	12-17	-	Rain	
	12-18	-	Too Wet	
	12-19	-	Rain	
	12-23	-	Rain	
	5 days lost	-	1 Day Allowed	= <u>4 Days Lost</u>
<u>January, 2015</u>	1-15		Too Cold to Work	
	1-9		Drizzle/Ice/Frigid	
	1-12		Rain & Too Cold	
	1-22		Rain	
	1-23		Rain	
	5 Days Lost	-	1 Day Allowed	= <u>4 Days Lost</u>

We would request our completion date for this project be extended by 11 calendar days resulting in days lost to weather or adverse site conditions as detailed above.

Should you have any questions or require further information, please contact me. Thank You.





Wm. Taylor & Co.
 220 Kelly Drive
 Waco TX 76710-5754
 254 772-9675

Change Order

Order#: NINETEEN

Order Date: 07/20/2015

License:

To: Barron's Branch, LLC
 9400 S. Dadeland Blvd.
 Suite 100
 Miami FL 33156

Project: 2013800
 Barron's Branch Apartments
 1401 North 9th Street
 Waco TX 76707

The contractor agrees to perform and the owner agrees to pay for the following changes to this contract

Plans Attached

Ordered By:

Customer Order:

Specifications Attached

Description of Work	Amount
---------------------	--------

Add Weather Delays for February 2015 thru May 2015 Lost a Total Net of 39 Calendar Days after allowance for Lost Days per the attached detailed Memorandum.	0.00
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Notes

Approved Amount of Change

0.00

The original Contract Sum was	8,525,000.00
Net change by previous Change Orders	469,966.43
The Contract Sum prior to this Change Order	8,994,966.43
The Contract Sum will be changed by this Change Order	0.00
The new Contract Sum including this Change Order will be	8,994,966.43
The Contract Time will be changed by	39 Days

Approved

Date

7-20-15

Date

7-20-15

Contractor

Owner

Memorandum

Date: July 20, 2015
To: Ms. Lisa Stephens
From: Ford Taylor
Project: Barron's Branch Apartments
Subject: Lost Weather Days February, 2015 thru May, 2015

We are requesting additional time for completion of this project due to rain including the following days:

<u>February, 2015</u>	2-16	-	Rain		
	2-17	-	Rain		
	2-18	-	Rain		
	2-23	-	Rain		
	2-24	-	Rain		
	2-25	-	Rain		
	6 days Lost – 1 days allowed			=	<u>5 Day Lost</u>
<u>March, 2015</u>	3-2	-	Rain		
	3-3	-	Rain		
	3-4	-	Rain		
	3-5	-	Rain		
	3-9	-	Rain		
	3-12	-	Rain		
	3-13	-	Rain		
	3-14	-	Rain		
	3-20	-	Rain		
	3-21	-	Rain		
	3-23	-	Rain		
	11 days lost – 1 day allowed			=	<u>10 Days Lost</u>
<u>April, 2015</u>	4-4	-	Rain		
	4-9	-	Rain		
	4-10	-	Rain		
	4-16	-	Rain		



Memorandum

Page 2 of 3

4-17 - Rain
4-18 - Rain
4-22 - Rain
4-23 - Rain
4-24 - Rain
4-27 - Rain
4-28 - Rain

11 days lost – 3 Days Allowed -

8 Days Lost

May, 2015

5-6 - Rain
5-7 - Rain
5-8 - Rain
5-9 - Rain
5-11 - Rain
5-12 - Rain
5-13 - Rain
5-14 - Rain
5-15 - Rain
5-16 - Rain
5-18 - Rain
5-23 - Rain
5-25 - Rain
5-26 - Rain
5-27 - Rain
5-28 - Rain
5-29 - Rain
5-30 - Rain

18 days lost – 2 days allowed =

16 Day Lost



Memorandum

Page 3 of 3

We request our completion date for this project be extended by 39 additional calendar days resulting in days lost to weather delays due to rain as detailed above. The Owner's notice to proceed was issued July 28, 2014. Our construction contract provided for 365 calendar days for final completion on July 28, 2015.

A previously submitted 77 calendar day extension for change orders and adverse weather delays moved our completion date to October 13, 2015. Adding this additional 39 days lost to the schedule moves our final completion date to November 21, 2015.

Should you have any questions or require further information, please contact me.

Thank You.

W. Wintford Taylor, III
President



BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action regarding a Placed in Service deadline extension for a Development located in a major disaster area as allowed under Section 6 of IRS Procedure Ruling 2014-49 for The Trails at Carmel Creek (HTC # 13201).

RECOMMENDED ACTION

WHEREAS, Hutto DMA Housing, L.P. (Development Owner) was allocated \$500,000 in 9% Housing Tax Credits in 2013 to construct The Trails at Carmel Creek (the “Development”), a development consisting of 61 new elderly units in the City of Hutto in Williamson County;

WHEREAS, the Development Owner is required by the Carryover Allocation Agreement to place all Units in service no later than December 31, 2015, and required by Internal Revenue Code (“IRC”) §42(h)(1) to place each building in service by no later than December 31, 2015;

WHEREAS, Internal Revenue Service (“IRS”) Revenue Procedure 2014-49 allows for and the Development Owner is requesting an extension to the placed in service deadline because the buildings are located in and impacted by a major disaster area, as declared by the President, during the two year period described in IRC §42(h)(1)(E)(i) and the Development Owner plans to place the Development in service no later than December 31 of the year following the end of the two year period;

WHEREAS, on Friday, May 29, 2015, initial notice was given that the President issued a major disaster declaration under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to excessive rain and flooding, and the notice was amended on Friday, June 5, 2015, and on Tuesday, June 9, 2015, to include Williamson county in a list of Texas counties eligible to receive individual and public assistance;

WHEREAS, the Owner has indicated that severe and wet weather impacted construction mobility and exterior work on the Development site and delayed shipment and receipt of storage materials, which has created 49.5 overall days of delay in Development completion such that the Development may not be able to meet its December 31, 2015, deadline to place each building in service;

WHEREAS, the Owner is requesting disaster relief in the form of a two month extension to the Development’s placed in service deadline of December 31, 2015;

WHEREAS, aside from delaying the availability of affordable units, the requested extension does not negatively affect the Development or impact the long term viability of the transaction and the requested relief is commensurate with the delay which occurred and does not exceed the relief period specified in IRS Revenue Procedure 2014-49;

WHEREAS, under 10 TAC §10.405(d), staff has determined that Board approval is warranted based on the extenuating circumstances in the Owner's request;

NOW, therefore, it is hereby

RESOLVED, that a two month extension is hereby approved and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

The Trails at Carmel Creek was awarded credits in 2013 under the 9% Housing Tax Credit program. The property is a 61 unit, elderly, new construction property located in the City of Hutto in Williamson County. The Owner, Hutto DMA Housing, L.P. (Diana McIver and Janine Sisak) and its General Partner, DMA Trails at Carmel Creek, are co-owned and managed by DMA Community Ventures and JSA Community Ventures, two Limited Liability Companies.

The Owner, on November 10, 2015, submitted a letter to the Department requesting a two month extension to the date the Owner is required to place each building and unit in service in accordance with IRC §42(h)(1) and the Development's Carryover Allocation Agreement, respectively. The Owner is seeking the relief under IRS Procedure Ruling 2007-54 (superseded and modified by IRS Procedure Ruling 2014-49) relating to Owners of low-income buildings and housing credit agencies of States in major disaster areas declared by the President.

According to the Owner, more than a month of construction progress was lost due to the heavy rainfall in Williamson County. The Owner submitted a weather log showing a total of 49.5 weather-impacted days, 4.5 of which can be attributed to the disaster period of May 4 – June 22nd. The Owner's request states that the resulting wet conditions and flooding impacted mobility on the construction site, shipment and receipt of storage materials, and the ability of crews to complete exterior work. The Development Owner has discussed that the development team is working diligently to make up lost time and place buildings in service before December 31, 2015, but with the impact of the noted delays, the Owner is concerned about the short window of time available for the completion of construction and receipt of the Certificates of Occupancy. The Owner's last Construction Status Report dated November 5, 2015, confirms the expectations of delays, stating that three change orders were entered for delays, 23 of which were rain-related and caused slow progress associated with the installation of site utilities. Other delays are noted related to the establishment of permanent power that halted progress on buildings 2-7; delays related to permanent power installation were cited in prior reports and were related to the Contractor waiting on the master developer to extend electric service to the site. CA Partners, the third party preparing the construction reports for the syndicator, estimates a completion date of late December 2015, though the report also states that conversations with the Contractor suggest no issues with completion by January 1, 2016. At the time of the November inspection, the Development was considered to be 90% complete.

The Owner has submitted verification of the FEMA Notices of Major Disaster Declaration released on May 29, 2015, as well as the amended notices released on June 5, 2015, and June 9, 2015, that confirm the President's issuing of a major disaster declaration due to damage in the State of Texas resulting from severe storms, tornadoes, straight-line winds, and flooding during the period of May 4, 2015, and continuing under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The amended

notices released on June 5, 2015, and June 9, 2015, included Williamson County as a county designated by FEMA for Individual and Public Assistance under the President's disaster declarations and therefore meet the requirements of Section 4 of the Revenue Ruling for purposes of determining whether the Owner is eligible to request relief provisions.

In accordance with IRS Revenue Procedure 2014-49 Section 6.03, as an Owner affected by Presidentially declared disaster, the Owner is requesting the Department's approval for the carryover allocation relief. The agency, as directed by the Revenue Procedure, may approve such relief only for projects whose Owners cannot reasonably satisfy the deadlines of IRC §42(h)(1)(E) because of an event or series of events that led to a major disaster declaration under the Stafford Act. The agency's determination may be made on an individual project basis or the agency may determine, because of the extent of the damage in a major disaster area, that all Owners or a certain group of Owners in the major disaster area warrant the relief. In accordance with Section 7.02, the agency has the discretion to provide less than the full amount of relief allowed or no relief based on all the facts and circumstances. The Department will report any approved relief on the Form 8610 due to the IRS on February 28, 2016.

The Owner has indicated that they are making all efforts to still meet the current deadline. Staff is recommending a two month extension.

Extension requests are normally considered under the Uniform Multifamily Rules, Subchapter E, 10 TAC § 10.405(d); however, extensions are only considered in this section if the original deadline associated with carryover, the 10 Percent Test, or cost certification requirements will not be met. The provisions in the Rule do not specifically address extensions to the placed in service deadline and the Department's Carryover Allocation Agreement states that no extension of the deadline to place in service can be made. The IRS, however, provides for the subject disaster related extension. Staff has the ability, in accordance with provisions in 10 TAC § 10.405(d), to bring to the Board material determinations that warrant Board approval due to extraordinary circumstances such as those discussed above.

Staff recommends approval of the extension request as presented herein.



DEVELOPMENT COMPANY, LLC

November 10, 2015

VIA EMAIL: laura.debellas@tdhca.state.tx.us

Ms. Laura Debellas
Asset Manager
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

RE: Trails at Carmel Creek – Hutto, TX (TDHCA #13201)
Request for Placed in Service Extension

Dear Ms. Debellas:

Please accept this letter as a request for TDHCA to review a request for an extension of two months on the Placed in Service deadline for our Trails at Carmel Creek project (TDHCA #13201) located in Hutto, Williamson County as allowed by Section 5.03 of Internal Revenue Procedure Ruling 2007-54.

As a 2013 9% LIHTC award, the Placed in Service (PIS) deadline for the Trails at Carmel Creek is December 31, 2015. The heavy rainfall received in Williamson County during the months of May and June of 2015 resulted in a loss of more than a month of construction progress. Our team has worked to make up lost time, and we are still working toward meeting our PIS deadline of December 31, 2015. However, we must be conservative in our approach when coming so close to our deadline.

Section 6 of IRS Procedure Ruling 2007-54 (the Ruling) requires approval "from the Agency that issued the carryover allocation" in order to grant the extension. This is a formal request for consideration of this approval by the Texas Department of Housing and Community Affairs. A copy of the Ruling is attached for reference.

Section 5.03 of the Ruling states:

".03 If an Owner has a carryover allocation for a building located in a major disaster area and the area is declared a major disaster area during the 2- year period described in §42(h)(1)(E)(i), the Service will treat the Owner as having satisfied the applicable placed in service requirement if the Owner places the building in service no later than December 31 of the year following the end of the 2-year period ."

Major Disaster Area is defined as:

"A city and/or county or other local jurisdiction so designated by FEMA for Individual Assistance and/or Public Assistance under the President's disaster declaration is a major disaster area for purposes of the relief provisions under sections 5, 6, 7, 8, 9, 10 and 12 of this revenue procedure."

The storms and floods in Central Texas during the month of May were declared a major disaster by FEMA-4223-DR on May 29, 2015 and provides for both Individual and Public Assistance. Amendment No. 1 effective June 5, 2015 added Williamson County to the list of counties eligible for Individual Assistance. Amendment No. 2 effective June 9, 2010 added Williamson County to the list of counties eligible for Public Assistance. Copies of the original declaration and amendments are attached.

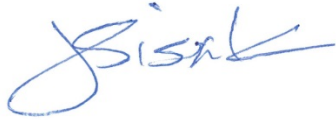
The rainfall total for the Trails at Carmel Creek was recorded at 12.09 inches by our contractor, and their tabulation of days lost to weather is attached. The flash flooding and its aftermath impacted mobility on site, shipment and receipt of storage materials and getting crews to complete exterior work.

We ask that TDHCA consider this extension at the December 17, 2015 board meeting. As stated above, we feel confident that we can meet our placed in service deadline of December 31, 2015 but must err on the side of caution. Our last draw meeting for the month of October showed that we were 89.98% complete, and by now we are well over 90% complete.

Please do not hesitate to contact me if you have any questions. I can be reached directly at (512) 328-3232 ext. 4505 or via email at janines@dmacompanies.com.

Sincerely,

DMA DEVELOPMENT COMPANY, LLC



Janine Sisak
Senior Vice President/General Counsel

Enclosures

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.
(Also: Part I, Section 42; 1.42-13)

Rev. Proc. 2007-54

SECTION 1. PURPOSE

This revenue procedure establishes a procedure for temporary relief from certain requirements of §42 of the Internal Revenue Code for owners of low-income housing buildings (Owners) and housing credit agencies of States or possessions of the United States (Agencies) in major disaster areas declared by the President. This revenue procedure supersedes the relief provisions of Rev. Proc. 95-28, 1995-1 C.B. 704.

SECTION 2. CHANGE

.01 Under §1.42-13(a) of the Income Tax Regulations, the Secretary may provide guidance to carry out the purposes of §42 through various publications in the Internal

Revenue Bulletin. Rev. Proc. 95-28 provided a procedure for temporary relief from certain requirements under §42 in major disaster areas. Sections 5 and 6 of Rev. Proc. 95-28 provided certain relief from the carryover allocation provisions under §42(h)(1)(E) and §1.42-6. The carryover allocation provisions were later amended by section 135(a)(1) of the Community Renewal Tax Relief Act of 2000 (Public Law 106-554) to allow a building that receives an allocation of credit in the second half of a calendar year to qualify for the carryover allocation of credit if the taxpayer expends an amount equal to 10 percent or more of the taxpayer's reasonably expected basis in the building within six months of receiving the allocation. In addition, §1.42-6 was modified under T.D. 9110 on December 31, 2003, to reflect the amendments to §42(h)(1)(E). This revenue procedure makes changes to the provisions of Rev. Proc. 95-28 to extend temporary relief in major disaster areas to the carryover allocation provisions taking into account the amendments to §42 and changes to the regulations.

.02 Section 8 of Rev. Proc. 95-28 provided certain relief to Agency compliance monitoring requirements under §1.42-5. Several provisions of §1.42-5 were subsequently modified under T.D. 8859 on January 13, 2000. This revenue procedure incorporates the modified compliance monitoring requirements under T.D. 8859.

.03 The Internal Revenue Service (Service) has issued several Notices suspending certain §42 requirements for Owners that provide temporary housing to individuals residing in certain major disaster areas who have been displaced because their residences have been destroyed or damaged as a result of the disaster. See Notice 2004-74, 2004-2 C.B. 875; Notice 2004-75, 2004-2 C.B. 876; and Notice 2004-76, 2004-2 C.B. 878; Notice 2005-69, 2005-2 C.B. 622; and Notice 2006-11, 2006-7

I.R.B. 457. This revenue procedure provides a procedure for Owners to rent on a temporary basis vacant low-income units to certain displaced low-income individuals that resided in major disaster areas described in section 4 of this revenue procedure.

SECTION 3. SCOPE

This revenue procedure applies to Agencies and Owners in major disaster areas, as defined in section 4 of this revenue procedure.

SECTION 4. MAJOR DISASTER AREA

When a disaster occurs that warrants assistance from the federal government, the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act), Title 42 U.S.C. 5121-5206 (2000 and Supp. IV 2004) authorizes the President to issue a major disaster declaration for the affected area. When the President issues such a declaration, the Federal Emergency Management Agency (FEMA) publishes a notice in the Federal Register designating particular cities and/or counties or other local jurisdictions covered by the President's major disaster declaration as eligible for Individual Assistance and/or Public Assistance. A city and/or county or other local jurisdiction so designated by FEMA for Individual Assistance and/or Public Assistance under the President's disaster declaration is a major disaster area for purposes of the relief provisions under sections 5, 6, 7, 8, 9, 10, and 12 of this revenue procedure. The emergency housing relief of section 11 of this revenue procedure applies only in States or possessions where FEMA designates cities and/or counties or other local jurisdictions for Individual Assistance.

SECTION 5. RELIEF FOR CARRYOVER ALLOCATIONS

.01 A carryover allocation is an allocation of low-income housing credits made in a year before the project is placed in service.

.02 If an Owner has a carryover allocation for a building located in a major disaster area, the Service will treat the Owner as having satisfied the 10-percent basis requirement of $\square 42(h)(1)(E)(ii)$ if the Owner incurs more than 10 percent of the Owner's reasonably expected basis in the project (land and depreciable basis) no later than six months after the date that Owners would otherwise be required to meet the 10-percent basis requirement under $\square 1.42-6(a)(2)(i)$ and (ii). See $\square 1.42-6$ for specific rules on carryover allocations.

.03 If an Owner has a carryover allocation for a building located in a major disaster area and the area is declared a major disaster area during the 2-year period described in $\square 42(h)(1)(E)(i)$, the Service will treat the Owner as having satisfied the applicable placed in service requirement if the Owner places the building in service no later than December 31 of the year following the end of the 2-year period. See $\square 1.42-6$ for specific rules on carryover allocations.

.04 If an Owner obtains the relief provided in section 5.02 of this revenue procedure but fails to satisfy the 10-percent basis requirement of $\square 42(h)(1)(E)(ii)$ by the extension period granted under the authority of section 5.02, the Service will treat the carryover allocation under $\square 1.42-6(a)(2)(i)(ii)$ as a credit returned to the Agency on the day following the end of the extension period granted under the authority of section 5.02, provided the Agency complies with the requirements of $\square 1.42-14(d)(3)$. See $\square 1.42-14$ for specific rules on returned credits.

.05 If an Owner obtains the relief provided in section 5.03 of this revenue procedure but fails to satisfy the placed in service requirement of $\square 42(h)(1)(E)(i)$ by the close of the calendar year following the end of the 2-year period of $\square 42(h)(1)(E)(i)$, the Service will treat the carryover allocation credit amount as a credit returned to the Agency on January 1 of the second year following the two year period of $\square 42(h)(1)(E)(i)$, provided the Agency complies with the requirements of $\square 1.42-14(d)(3)$.

SECTION 6. PROCEDURE TO OBTAIN CARRYOVER ALLOCATION RELIEF

.01 An Owner may obtain the carryover allocation relief described in sections 5.02 or 5.03 of this revenue procedure only if the Owner receives approval for the relief from the Agency that issued the carryover allocation.

.02 The Agency may approve the carryover allocation relief provided in sections 5.02 and 5.03 of this revenue procedure only for projects whose Owners cannot reasonably satisfy the deadlines of $\square 42(h)(1)(E)$ because of a disaster that led to a major disaster declaration under the Stafford Act. An Agency may make this determination on an individual project basis or may determine, because of the extent of the damage in a major disaster area that all Owners or a certain group of Owners in the major disaster area warrant the relief provided in sections 5.02 and 5.03 of this revenue procedure. An Agency has the discretion to provide less than the full amount of relief allowed under sections 5.02 and 5.03 or no relief based upon all the facts and circumstances.

.03 An Agency that chooses to approve the relief provided in sections 5.02 and 5.03 of this revenue procedure must do so before filing the Form 8610, Annual Low-Income Housing Credit Agencies Report, that covers the preceding calendar year. The

Form 8610 is due by February 28 of the year following the year to which the Form 8610 applies.

.04 An Agency that provides the relief in sections 5.02 and 5.03 of this revenue procedure must report to the Service projects granted relief by attaching the required documentation as provided in the instructions to Form 8610. The Agency should identify only those buildings, including buildings granted relief in January and February of the year in which the Agency files the Form 8610, that had received its approval of the carryover allocation relief provided in sections 5.02 and 5.03 of this revenue procedure since the Agency last filed the Form 8610.

SECTION 7. RECAPTURE RELIEF

.01 Under $\square 42(j)(4)(E)$, a building (1) that is beyond the first year of the credit period and (2) that, because of a disaster that led to a major disaster declaration, has suffered a reduction in qualified basis that would cause it to be subject to recapture or loss of credit will not be subject to recapture or loss of credit if the building's qualified basis is restored within a reasonable restoration period. The Agency that monitors the building for compliance with $\square 42$ shall determine what constitutes a reasonable restoration period, not to exceed 24 months after the end of the calendar year in which the President issued a major disaster declaration for the area where the building is located. If the Owner of the building fails to restore the building within the reasonable restoration period determined by the Agency, the Owner shall lose all credit claimed during the restoration period and suffer recapture for any prior years of claimed credit under the provisions of $\square 42(j)(1)$.

.02 To determine the credit amount allowable during the reasonable restoration period, an Owner described in section 7.01 of this revenue procedure must use the building's qualified basis at the end of the taxable year that preceded the President's major disaster declaration.

.03 Section 1.42-5(c)(1) requires an Owner to report any reduction in qualified basis to the Agency that monitors the building for compliance with §42 whether or not an Owner obtains the relief provided in section 7.01 of this revenue procedure.

.04 As part of its review procedure adopted under §1.42-5(c)(2), an Agency must determine whether the Owner described in section 7.01 of this revenue procedure has restored the building's qualified basis by the end of the reasonable restoration period established by the Agency. The Agency must report on Form 8823, Low-Income Housing Credit Agency Report of Noncompliance, any failure to restore qualified basis within such period.

SECTION 8. COMPLIANCE MONITORING RELIEF

.01 An Agency may extend the due date for its scheduled compliance reviews for up to one calendar year from the date the building is restored and placed back into service under section 7.01 of this revenue procedure.

.02 The granting of compliance monitoring relief to an Agency does not extend the compliance monitoring deadlines for Owners in major disaster areas. If an Agency discovers that an Owner has failed to comply with the rules of §42 because of a major disaster, the Agency must report on the Form 8823 how the major disaster contributed to the noncompliance.

SECTION 9. BUILDINGS IN THE FIRST YEAR OF THE CREDIT PERIOD

.01 For buildings in the first year of the credit period that are located in a major disaster area and are severely damaged or destroyed as a result of a major disaster, an Agency has the discretion to treat the allocation as returned credit to the Agency in accordance with the requirements of \square 1.42-14(d)(3), or may toll the beginning of the first year of the credit period under \square 42(f)(1) until the project is restored. The tolling time period shall not extend more than 24 months after the end of the calendar year in which the President declared the area a major disaster area under the Stafford Act. No qualified basis shall be established until the building is restored and no low-income housing credit shall be claimed during the restoration period of such first-year buildings.

.02 An Agency that provides the relief in section 9.01 of this revenue procedure must report to the Service those projects granted relief by attaching the required documentation as provided in the instructions to Form 8610.

SECTION 10. AMOUNT OF CREDIT ALLOWABLE TO RESTORED BUILDING

.01 Except as provided in section 10.02 of this revenue procedure, in the case of a building for which a credit is allowed under \square 42, no additional credit is permitted under \square 42 for costs to restore, by reconstruction or replacement, the building to its pre-casualty condition under \square 42(j)(4)(E).

.02 An Agency may allocate credits for rehabilitation expenditures, as defined under \square 42(e), that are in excess of the eligible basis immediately prior to the casualty. For this purpose, the eligible basis immediately prior to the casualty includes the original eligible basis and any subsequent rehabilitation expenditures treated as a separate new building under \square 42(e).

SECTION 11. EMERGENCY HOUSING RELIEF

.01 Approval of Housing Credit Agency. Without prior authorization from the Service, an Agency may permit some or all Owners within the Agency's jurisdiction to provide temporary emergency housing after a major disaster to displaced low-income individuals that were living within the Agency's jurisdiction at the time of the major disaster. Prior to housing any displaced low-income individuals, the Owner must obtain written approval from the Agency to participate in temporary emergency housing relief. For this purpose, temporary emergency housing means housing displaced low-income individuals for a period not to exceed 4 months beyond the date of the President's major disaster declaration. An individual is a displaced individual if the individual was displaced from his/her principal place of residence as a result of a major disaster and the principal place of residence is in a city, county, or other local jurisdiction designated for Individual Assistance by FEMA as a result of the major disaster.

.02 Requirements for Owner. The temporary housing of displaced low-income individuals in low-income units without meeting the documentation requirements of § 1.42-5(b)(1)(vii) will not cause the building to suffer a reduction in qualified basis that would cause the recapture of low-income housing credits, provided the owner ensures the following requirements are met:

(1) Temporary Self-Certification of Income Requirements. An Owner may rely on a displaced low-income individual's self-certification of income eligibility signed under penalties of perjury in applying for temporary tenancy in the building as a result of a major disaster declaration as defined in section 4 of this revenue procedure. The self-certification shall provide that such individual's income will not exceed the applicable income limits of § 42 at the beginning of the individual's tenancy. The self-certification

shall not extend for more than 4 months beyond the date of the President's major disaster declaration. The self-certification may be relied on by the Owner for purposes of determining the building's qualified basis under §42(c)(1), and for purposes of satisfying the project's 20-50 or 40-60 minimum set-aside requirement as elected by the Owner under §42(g)(1). During the 4-month self-certification period, the self-certified tenant is deemed a qualified tenant. After the 4-month self-certification period, the Owner must obtain all required documentation required under §42 to support the tenant's continued status as a qualified low-income individual.

(2) Self-Certification of Status as Displaced Individual. An owner may rely on an individual's certification signed under penalties of perjury that the individual was displaced from his/her principal place of residence as a result of a major disaster and the principal place of residence is in a city, county, or other local jurisdiction designated for Individual Assistance as a result of the major disaster.

(3) Recordkeeping. To comply with the requirements of §1.42-5, Owners must maintain and certify certain information concerning each displaced low-income individual temporarily housed in the project, specifically: name, address of damaged residence, social security number, the temporary self-certification of income, and the self-certification of status as a displaced individual. The Owner must also maintain and report to the Agency at the end of the emergency housing period a list of the names of the displaced individuals, and the dates the displaced individuals began and ceased temporary occupancy. This information shall be provided to the Service upon request.

(4) Rent Restrictions. Rents for the low-income units housing displaced individuals must not exceed the existing rent-restricted rates for the low-income units established under □42(g)(2).

(5) Protection of Existing Tenants. Existing tenants in occupied low-income units cannot be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for displaced individuals.

(6) Suspension of Non-Transient Requirements. The non-transient use requirement of □42(i)(3)(B)(i) shall not apply to any unit providing temporary housing to a displaced individual during the 4-month temporary emergency housing period described in this section 11 of this revenue procedure.

SECTION 12. OTHER RELIEF

Under the authority granted in □42(n) and in accordance with □1.42-13(a), the Service will consider granting relief similar to that described in sections 5.02, 5.03, 7.01, or section 11 of this revenue procedure for situations that are brought to its attention and not covered by this revenue procedure.

SECTION 13. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 95-28, 1995-1 C.B. 704, is superseded.

SECTION 14. EFFECTIVE DATE

This revenue procedure is effective for a major disaster declaration issued by the President under the Stafford Act on or after July 2, 2007.

DRAFTING INFORMATION

The principal author of this revenue procedure is Jack Malgeri of the Office of Associate Chief Counsel (Passthroughs and Special Industries). For further information

regarding this revenue procedure contact Mr. Malgeri at (202) 622-3040 (not a toll free number).

Initial Notice

[Main Content](#)

Date of Notice:

Friday, May 29, 2015

Billing Code 9111-23-P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Internal Agency Docket No. FEMA-4223-DR]

Docket ID FEMA-2015-0002

Texas; Major Disaster and Related Determinations

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Notice.

SUMMARY: This is a notice of the Presidential declaration of a major disaster for the State of Texas (FEMA-4223-DR), dated May 29, 2015, and related determinations.

EFFECTIVE DATE: May 29, 2015.

FOR FURTHER INFORMATION CONTACT: Dean Webster, Office of Response and Recovery, Federal Emergency Management Agency, 500 C Street, SW, Washington, DC 20472, (202) 646-2833.

SUPPLEMENTARY INFORMATION: Notice is hereby given that, in a letter dated May 29, 2015, the President issued a major disaster declaration under the authority of the **Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. (the "Stafford Act")**, as follows:

I have determined that the damage in certain areas of the State of Texas resulting from severe storms, tornadoes, straight-line winds, and flooding during the period of May 4, 2015, and continuing, is of sufficient severity and magnitude to warrant a major disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 *et seq.* (the "Stafford Act"). Therefore, I declare that such a major disaster exists in the State of Texas.

In order to provide Federal assistance, you are hereby authorized to allocate from funds available for these purposes such amounts as you find necessary for Federal disaster assistance and administrative expenses.

You are authorized to provide Individual Assistance and Public Assistance in the designated areas and Hazard Mitigation throughout the State. Consistent with the requirement that Federal assistance be supplemental, any Federal funds provided under the Stafford Act for Hazard Mitigation and Other Needs Assistance will be limited to 75 percent of the total eligible costs. Federal funds provided under the Stafford Act for Public Assistance also will be limited to 75 percent of the total eligible costs, with the exception of projects that meet the eligibility criteria for a higher Federal cost-sharing percentage under the Public Assistance Alternative Procedures Pilot Program for Debris Removal implemented pursuant to section 428 of the Stafford Act.

Further, you are authorized to make changes to this declaration for the approved assistance to the extent allowable under the Stafford Act.

The time period prescribed for the implementation of section 310(a), Priority to Certain Applications for Public Facility and Public Housing Assistance, 42 U.S.C. 5153, shall be for a period not to exceed six months after the date of this declaration.

The Federal Emergency Management Agency (FEMA) hereby gives notice that pursuant to the authority vested in the Administrator, under Executive Order 12148, as amended, Kevin L. Hannes of FEMA is appointed to act as the Federal Coordinating Officer for this major disaster.

The following areas of the State of Texas have been designated as adversely affected by this major disaster:

Harris, Hays, and Van Zandt Counties for Individual Assistance.

Cooke, Gaines, Grimes, Harris, Hays, Navarro, and Van Zandt Counties for Public Assistance.

All areas within the State of Texas are eligible for assistance under the Hazard Mitigation Grant Program.

The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 97.030, Community Disaster Loans; 97.031, Cora Brown Fund; 97.032, Crisis Counseling; 97.033, Disaster Legal Services; 97.034, Disaster Unemployment Assistance (DUA); 97.046, Fire Management Assistance Grant; 97.048, Disaster Housing Assistance to Individuals and Households In Presidentially Declared Disaster Areas; 97.049, Presidentially Declared Disaster Assistance - Disaster Housing Operations for Individuals and Households; 97.050, Presidentially Declared Disaster Assistance to Individuals and Households - Other Needs; 97.036, Disaster Grants - Public Assistance (Presidentially Declared Disasters); 97.039, Hazard Mitigation Grant.

Amendment No. 2

[Main Content](#)

Date of Notice:

Tuesday, June 9, 2015

Billing Code 9111-23-P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Internal Agency Docket No. FEMA-4223-DR]

Docket ID FEMA-2015-0002

Texas; Amendment No. 2 to Notice of a Major Disaster Declaration

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Notice.

SUMMARY: This notice amends the notice of a major disaster declaration for the State of Texas (FEMA-4223-DR), dated

May 29, 2015, and related determinations.

EFFECTIVE DATE: June 9, 2015.

FOR FURTHER INFORMATION CONTACT: Dean Webster, Office of Response and Recovery, Federal Emergency Management Agency, 500 C Street, SW, Washington, DC 20472, (202) 646-2833.

SUPPLEMENTARY INFORMATION: The notice of a major disaster declaration for the State of Texas is hereby amended to include the following areas among those areas determined to have been adversely affected by the event declared a major disaster by the President in his declaration of May 29, 2015.

Angelina, Archer, Atascosa, Baylor, Bowie, Burleson, Cass, Cherokee, Clay, Comal, Comanche, Fannin, Fayette, Garza, Gillespie, Grayson, Harrison, Hood, Houston, Jasper, Kaufman, Kendall, Lamar, Lee, Liberty, Lynn, Madison, Nacogdoches, Newton, Polk, Refugio, Sabine, San Jacinto, Tyler, Uvalde, Walker, Wharton, Wilson, and Zavala Counties for Public Assistance.

Bastrop, Blanco, Caldwell, Denton, Henderson, Johnson, Milam, Montague, Rusk, Travis, **Williamson** and Wise Counties for **Public Assistance** (already designated for Individual Assistance).

The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 97.030, Community Disaster Loans; 97.031, Cora Brown Fund; 97.032, Crisis Counseling; 97.033, Disaster Legal Services; 97.034, Disaster Unemployment Assistance (DUA); 97.046, Fire Management Assistance Grant; 97.048, Disaster Housing Assistance to Individuals and Households In Presidentially Declared Disaster Areas; 97.049, Presidentially Declared Disaster Assistance - Disaster Housing Operations for Individuals and Households; 97.050 Presidentially Declared Disaster Assistance to Individuals and Households - Other Needs; 97.036, Disaster Grants - Public Assistance (Presidentially Declared Disasters); 97.039, Hazard Mitigation Grant.

/s/

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 12/5/2014

Month: November

Week Ending: 12/5/2014

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
1	3-Nov	Clear, Dry	none	0
2	4-Nov	Clear, Dry	none	0
3	5-Nov	Raining	All	1
4	6-Nov	Raining	All	1
5	7-Nov	Cloudy, too muddy to work	All	1
6	8-Nov	Cloudy, too muddy to work	All	1
7	9-Nov	Cold, Windy	none	0
8	10-Nov	Cold, Windy	none	0
9	11-Nov	Cool, windy	none	0
10	12-Nov	Cold, Windy	none	0
11	13-Nov	Cold, Windy	none	0
12	14-Nov	Cold, Windy	none	0
13	15-Nov	Raining	All	1
14	16-Nov	Raining	All	0
15	17-Nov	Cold, Windy	Muddy	0
16	18-Nov	Clear, cold	none	0
17	19-Nov	Clear, cold	none	0
18	20-Nov	Cloudy, rain	none	0
19	21-Nov	Cloudy, rain	Muddy, All	1
20	22-Nov	Cloudy, rain	Muddy	1
21	23-Nov	Clear, Windy	Muddy	0
22	24-Nov	Clear, Windy	Muddy	1
23	25-Nov	Clear, Windy	Muddy	1
24	26-Nov	Clear, muddy	Muddy	0
25	27-Nov	Holiday		0
26	28-Nov	Clear	None	0
27	29-Nov	Clear	None	0
28	30-Nov	Clear	None	0

Days Lost This Month 9

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 1/2/2015

Month: December

Week Ending: 1/2/2015

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
29	1-Dec	Cloudy	None	0
30	2-Dec	Cloudy	None	0
31	3-Dec	Overcast	None	0
32	4-Dec	Overcast, drizzle	None	0
33	5-Dec	Overcast, drizzle	None	0
34	6-Dec	Overcast	None	0
35	7-Dec	Overcast	None	0
36	8-Dec	Overcast	None	0
37	9-Dec	Clear	None	0
38	10-Dec	Overcast, drizzle	None	0
39	11-Dec	Overcast, drizzle	None	0
40	12-Dec	Cloudy	None	0
41	13-Dec	Cloudy	None	0
42	14-Dec	Overcast, drizzle	None	0
43	15-Dec	Cloudy	None	0
44	16-Dec	Cloudy	None	0
45	17-Dec	Overcast, drizzle	None	0
46	18-Dec	Overcast, drizzle	None	0
47	19-Dec	Rain	All	1
48	20-Dec	Cloudy	None	0
49	21-Dec	Cloudy	None	0
50	22-Dec	Partly Cloudy	none	0
51	23-Dec	Overcast, drizzle	None	0
52	24-Dec	Partly Cloudy	none	0
53	25-Dec	Hoilday	Holiday	0
54	26-Dec	Overcast, drizzle	None	0
55	27-Dec	Overcast, drizzle	None	0
56	28-Dec	Overcast, drizzle	None	0
57	29-Dec	Clear	None	0
58	30-Dec	Cloudy	None	0
59	31-Dec	Cloudy	None	0

Days Lost This Month **1**

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 02,02/2015

Month: January

Week Ending: 1/31/2013

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
60	1-Jan	Rain	All	1
61	2-Jan	Rain	All	1
62	3-Jan	Rain	All	1
63	4-Jan	Overcast	All	0
64	5-Jan	Overcast	All	1
65	6-Jan	Overcast	All	1
66	7-Jan	Overcast	All	1
67	8-Jan	Overcast, drizzle	All	1
68	9-Jan	Rain	All	1
69	10-Jan	Rain	All	1
70	11-Jan	Rain	All	0
71	12-Jan	Overcast	All	1
72	13-Jan	Overcast	All	1
73	14-Jan	Overcast	All	1
74	15-Jan	Clearing then sunny	All	1
75	16-Jan	Sunny	All	1
76	17-Jan	Sunny	None	0
77	18-Jan	Sunny	None	0
78	19-Jan	Sunny	None	0
79	20-Jan	Cloudy	None	0
80	21-Jan	Cloudy	All	1
81	22-Jan	Cloudy	All	1
82	23-Jan	Cloudy	All	1
83	24-Jan	Sunny	All	1
84	25-Jan	Sunny	None	0
85	26-Jan	Sunny	None	0
86	27-Jan	Sunny	None	0
87	28-Jan	Sunny	None	0
88	29-Jan	Overcast	None	0
89	30-Jan	Cloudy	None	0
90	31-Jan	Cloudy	All	1
Days Lost This Month				19

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction: 11/3/2014

Month: February

Date of This Report: 2/27/2015

Week Ending: 2/26/2013

DAY	DATE			LOST DAYS
90	1-Feb	Cloudy/Sunny	None	0
91	2-Feb	Sunny	None	0
92	3-Feb	Cloudy	All	1
93	4-Feb	Cloudy	All	1
94	5-Feb	Cloudy	All	1
95	6-Feb	Cloudy	None	0
96	7-Feb	Foggy	None	0
97	8-Feb	Partly Cloudy	None	0
98	9-Feb	Sunny	None	0
99	10-Feb	Sunny	None	0
100	11-Feb	Foggy	None	0
101	12-Feb	Cloudy	None	0
102	13-Feb	Partly Cloudy	None	0
103	14-Feb	Sunny	None	0
104	15-Feb	Overcast	None	0
105	16-Feb	Cloudy	All	1
106	17-Feb	Partly cloudy	None	0
107	18-Feb	Sunny	None	0
108	19-Feb	Partly Cloudy	None	0
109	20-Feb	Overcast	None	0
110	21-Feb	Cloudy	None	0
111	22-Feb	Cloudy	None	0
112	23-Feb	Cloudy	All	1
113	24-Feb	Overcast	None	0
114	25-Feb	Cloudy	None	0
115	26-Feb	Partly Cloudy	None	0
116	27-Feb	Cloudy	None	0
117	28-Feb	Cloudy	None	0
Days Lost This Month				5

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 4/3/2015

Month: March

Week Ending: 4/3/2015

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
118	1-Mar	Rain	None	0
119	2-Mar	Rain	None	0
120	3-Mar	Rain	None	0
121	4-Mar	Rain	Half a day of work lost	0.5
122	5-Mar	Rain	All	1
123	6-Mar	Clear	None	0
124	7-Mar	Overcast	None	0
125	8-Mar	Rain	None	0
126	9-Mar	Rain	All	1
127	10-Mar	Mostly Cloudy	Utilities could not work	1
128	11-Mar	Overcast	None	0
129	12-Mar	Rain	None	0
130	13-Mar	Partly Cloudy	None	0
131	14-Mar	Partly Cloudy	None	0
132	15-Mar	Partly Cloudy	None	0
133	16-Mar	Clear	None	0
134	17-Mar	Partly Cloudy	None	0
135	18-Mar	Overcast	None	0
136	19-Mar	Overcast	None	0
137	20-Mar	Overcast	All	0.5
138	21-Mar	Rain	None	0
139	22-Mar	Overcast	None	0
140	23-Mar	Scattered Clouds	None	0
141	24-Mar	Overcast	None	0
142	25-Mar	Overcast	None	0
143	26-Mar	Rain	None	0
144	27-Mar	Overcast	None	0
145	28-Mar	Sunny	None	0
146	29-Mar	Sunny	None	0
147	30-Mar	Sunny	None	0
148	31-Mar	Sunny	None	0
Days Lost This Month				4

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 5/1/2015

Month: April

Week Ending: 5/1/2015

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
149	1-Apr	Cloudy	None	0
150	2-Apr	Sunny	None	0
151	3-Apr	Sunny	None	0
152	4-Apr	Sunny	None	0
153	5-Apr	Partly Cloudy	None	0
154	6-Apr	Partly Cloudy	None	0
155	7-Apr	Partly Cloudy	None	0
156	8-Apr	Partly Cloudy	None	0
157	9-Apr	Partly Cloudy	None	0
158	10-Apr	Rain	All	1
159	11-Apr	Foggy	None	0
160	12-Apr	Foggy	None	0
161	13-Apr	Cloudy	None	0
162	14-Apr	Partly Cloudy	None	0
163	15-Apr	Partly Cloudy	None	0
164	16-Apr	Partly Cloudy	None	0
165	17-Apr	Sunny	Concrete Pour Cancelled	0
166	18-Apr	Rain	None	0
167	19-Apr	Foggy	None	0
168	20-Apr	Scattered Cloudes	None	0
169	21-Apr	Scattered Cloudes	None	0
170	22-Apr	Overcast	None	0
171	23-Apr	Foggy	None	0
172	24-Apr	Rain	None	0
173	25-Apr	Rain	None	0
174	26-Apr	Rain	None	0
175	27-Apr	Rain	None	0
176	28-Apr	Rain	None	0
177	29-Apr	Scatterd clouds	None	0
178	30-Apr	Scatterd clouds	None	0
Days Lost This Month				1

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 6/5/2015

Month: May

Week Ending: 6/5/2015

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
179	1-May	Scattered Clouds	None	0
180	2-May	Partly Cloudy	None	0
181	3-May	Scattered Clouds	None	0
182	4-May	Partly Cloudy	None	0
183	5-May	Rain	All	1
184	6-May	Rain	None	0
185	7-May	Rain	None	0
186	8-May	Rain	Framing	1
187	9-May	Partly Cloudy	None	0
188	10-May	Partly Cloudy	None	0
189	11-May	Rain	All-Framing Delays	1
190	12-May	Rain	None	0
191	13-May	Rain	All- Framing Delays	1
192	14-May	Rain	None	0
193	15-May	Rain	None	0
194	16-May	Partly Cloudy	None	0
195	17-May	Rain	None	0
196	18-May	Rain	None	0
197	19-May	Rain	None	0
198	20-May	Rain	None	0
199	21-May	Rain	None	0
200	22-May	Rain	None	0
201	23-May	Rain	None	0
202	24-May	Rain	None	0
203	25-May	Rain	None	0
204	26-May	Partly Cloudy	None	0
205	27-May	Rain	None	0
206	28-May	Rain	None	0
207	29-May	Partly Cloudy	None	0
208	30-May	Partly Cloudy	None	0
209	31-May	Partly Cloudy	None	0
Days Lost This Month				4

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 6/26/2015

Month: June

Week Ending: 6/26/2015

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
210	1-Jun	Scattered Clouds	None	0
211	2-Jun	Scattered Clouds	None	0
212	3-Jun	Sunny	None	0
213	4-Jun	Sunny	None	0
214	5-Jun	Sunny	None	0
215	6-Jun	Scattered Clouds	None	0
216	7-Jun	Scattered Clouds	None	0
217	8-Jun	Sunny	None	0
218	9-Jun	Sunny	None	0
219	10-Jun	Sunny	None	0
220	11-Jun	Partly Cloudy	None	0
221	12-Jun	Sunny	None	0
222	13-Jun	Sunny	None	0
223	14-Jun	Cloudy	None	0
224	15-Jun	Partly Cloudy	None	0
225	16-Jun	Rain	None	0
226	17-Jun	Rain	Half a days work lost	0.5
227	18-Jun	Fog	None	0
228	19-Jun	Rain	None	0
229	20-Jun	Cloudy	None	0
230	21-Jun	Rain	None	0
231	22-Jun	Partly Cloudy	None	0
232	23-Jun	Partly Cloudy	None	0
233	24-Jun	Scattered Clouds	None	0
234	25-Jun	Fog	None	0
235	26-Jun	Scattered Clouds	None	0
236	27-Jun	Scattered Clouds	None	0
237	28-Jun	Scattered Clouds	None	0
238	29-Jun	Scattered Clouds	None	0
239	30-Jun	Scattered Clouds	None	0
Days Lost This Month				0.5

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 8/12/2015

Month: July

Week Ending: 7/23/2015

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
240	1-Jul	Partly cloudy	None	0
241	2-Jul	Partly cloudy	None	0
242	3-Jul	Partly cloudy	None	0
243	4-Jul	Partly cloudy	None	0
244	5-Jul	Partly cloudy	none	0
245	6-Jul	Partly cloudy	none	0
246	7-Jul	Partly cloudy	none	0
247	8-Jul	Partly cloudy	none	0
248	9-Jul	Partly cloudy	none	0
249	10-Jul	Partly cloudy	none	0
250	11-Jul	Partly cloudy	none	0
251	12-Jul	Partly cloudy	none	0
252	13-Jul	Partly cloudy	none	0
253	14-Jul	Partly cloudy	none	0
254	15-Jul	Partly cloudy	none	0
255	16-Jul	Partly cloudy	none	0
256	17-Jul	Partly cloudy	none	0
257	18-Jul	Partly cloudy	none	0
258	19-Jul	Partly cloudy	none	0
259	20-Jul	Clear	none	0
260	21-Jul	Clear	none	0
261	22-Jul	Clear	none	0
262	23-Jul	Clear	none	0
263	24-Jul	Clear	None	0
264	25-Jul	Clear	None	0
265	26-Jul	Clear	None	0
266	27-Jul	Clear	None	0
267	28-Jul	Clear	None	0
268	29-Jul	Clear	None	0
269	30-Jul	Clear	None	0
270	31-Jul	Clear	None	0
Days Lost This Month				0

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 8/31/2015

Month: August

Week Ending: 8/31/2015

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
271	1-Aug	Clear	None	0
272	2-Aug	Clear	None	0
273	3-Aug	Clear	None	0
274	4-Aug	Scattered Clouds	None	0
275	5-Aug	Scattered Clouds	None	0
276	6-Aug	Scattered Clouds	None	0
277	7-Aug	Scattered Clouds	None	0
278	8-Aug	Scattered Clouds	None	0
279	9-Aug	Scattered Clouds	None	0
280	10-Aug	Clear	None	0
281	11-Aug	Clear	None	0
282	12-Aug	Scattered Clouds	None	0
283	13-Aug	Clear	None	0
284	14-Aug	Scattered Clouds	None	0
285	15-Aug	Partly Cloudy	None	0
286	16-Aug	Scattered Clouds	None	0
287	17-Aug	Scattered Clouds	None	0
288	18-Aug	Partly Cloudy	None	0
289	19-Aug	Clear	None	0
290	20-Aug	Cloudy	None	0
291	21-Aug	Cloudy	None	0
292	22-Aug	Scattered Clouds	None	0
293	23-Aug	Partly Cloudy	None	0
294	24-Aug	Clear	None	0
295	25-Aug	Scattered Clouds	None	0
296	26-Aug	Scattered Clouds	None	0
297	27-Aug	Partly Cloudy	None	0
298	28-Aug	Partly Cloudy	None	0
299	29-Aug	Partly Cloudy	None	0
300	30-Aug	Cloudy	None	0
301	31-Aug	Partly Cloudy	None	0
Days Lost This Month				0

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 9/25/2015

Month: Sept

Week Ending: 9/24/2015

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
301	1-Sep	Partly Cloudy	None	0
302	2-Sep	Scattered Clouds	None	0
303	3-Sep	Partly Cloudy	None	0
304	4-Sep	Partly Cloudy	None	0
305	5-Sep	Cloudy	None	0
306	6-Sep	Scattered Clouds	None	0
307	7-Sep	Scattered Clouds	None	0
308	8-Sep	Partly Cloudy	None	0
309	9-Sep	Rain	None	0
310	10-Sep	Partly Cloudy	None	0
311	11-Sep	Partly Cloudy	Landscape, Concrete, Painting	1
312	12-Sep	Scattered Clouds	None	0
313	13-Sep	Scattered Clouds	None	0
314	14-Sep	Clear	None	0
315	15-Sep	Cloudy	None	0
316	16-Sep	Cloudy	None	0
317	17-Sep	Partly Cloudy	None	0
318	18-Sep	Partly Cloudy	None	0
319	19-Sep	Partly Cloudy	None	0
320	20-Sep	Scattered Clouds	None	0
321	21-Sep	Scattered Clouds	None	0
322	22-Sep	Partly Cloudy	None	0
323	23-Sep	Scattered Clouds	None	0
324	24-Sep	Scattered Clouds	None	0
325	25-Sep	Cloudy	None	0
326	26-Sep	Scattered Clouds	None	0
327	27-Sep	Scattered Clouds	None	0
328	28-Sep	Partly Cloudy	None	0
329	29-Sep	Scattered Clouds	None	0
330	30-Sep	Partly Cloudy	None	0
Days Lost This Month				1

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 10/30/2015

Month: October

Week Ending: 10/30/2015

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
331	1-Oct	Clear	None	0
332	2-Oct	Clear	None	0
333	3-Oct	Clear	None	0
334	4-Oct	Clear	None	0
335	5-Oct	Cloudy	None	0
336	6-Oct	Cloudy	None	0
337	7-Oct	Cloudy	None	0
338	8-Oct	Cloudy	None	0
339	9-Oct	Cloudy	None	0
340	10-Oct	Clear	None	0
341	11-Oct	Clear	None	0
342	12-Oct	Clear	None	0
343	13-Oct	Clear	None	0
344	14-Oct	Clear	None	0
345	15-Oct	Clear	None	0
346	16-Oct	Clear	None	0
347	17-Oct	Clear	None	0
348	18-Oct	Clear	None	0
349	19-Oct	Clear	None	0
350	20-Oct	Cloudy, windy	None	0
351	21-Oct	Cloudy, windy	None	0
352	22-Oct	Overcast	Landscaping	1
353	23-Oct	Rain	Landscaping	1
354	24-Oct	Rain	Landscaping	1
355	25-Oct	Overcast	None	0
356	26-Oct	Clear	None	0
357	27-Oct	Clear	None	0
358	28-Oct	Clear	None	0
359	29-Oct	Clear	None	0
360	30-Oct	Rain	Landscaping	1
361	31-Oct	Rain	Landscaping	1
Days Lost This Month				5

CARLETON CONSTRUCTION, LTD.

WEEKLY WEATHER REPORT

PROJECT: Trails at Carmel Creek

Date Construction Started: 11/3/2014

Date of This Report: 11/6/2015

Month: October

Week Ending: 11/6/2015

DAY	DATE	WEATHER CONDITIONS	WORK AFFECTED	LOST DAYS
362	1-Nov	Cloudy drizzle	none	0
363	2-Nov	Clear	none	0
364	3-Nov	Clear	none	0
365	4-Nov	Clear	none	0
366	5-Nov	Cloudy drizzle	none	0
367	6-Nov			
368	7-Nov			
369	8-Nov			
370	9-Nov			
371	10-Nov			
372	11-Nov			
373	12-Nov			
374	13-Nov			
375	14-Nov			
376	15-Nov			
377	16-Nov			
378	17-Nov			
379	18-Nov			
380	19-Nov			
381	20-Nov			
382	21-Nov			
383	22-Nov			
384	23-Nov			
385	24-Nov			
386	25-Nov			
387	26-Nov			
388	27-Nov			
389	28-Nov			
390	29-Nov			
391	30-Nov			
Days Lost This Month				0



Partners, Inc.
Construction Advisors

Republic Center
325 N. St. Paul St.
Suite 1950
Dallas, Texas 75201
P: (214) 468-0807
F: (214) 468-0724

November 5, 2015

Mr. Craig Gunther
RBC Capital Markets
10 W. Broad St., #1550
Columbus, OH 43215

**RE: Carmel Creek (The Trails at Carmel Creek)
Hutto, Texas
CA Partners, Inc Project No.: 14216**

Dear Craig,

Enclosed is Construction Progress & Funding Disbursement Report No. 015 dated November 5, 2015 for the above referenced project. Please note that the first page of the report is a summary with detailed information in the pages that follow.

It is a pleasure working for you and RBC Capital Markets. If you have any questions, please call me at (214) 468-0807 or email me at cgreenwood@capartnersinc.com.

Sincerely,

Clifton Greenwood
Project Manager

Heath Icenhower
Senior Project Manager

CG/DD/mes
Encl.

cc: Mr. Jay English – Capital One - By Reliance (email - .pdf)



Carmel Creek (The Trails at Carmel Creek) Hutto, Texas

Construction Progress and Funding Disbursement Report

Report No: 015 □ November 5, 2015

CA Partners, Inc. Project Number: 14216

Prepared for:

RBC Capital Markets
10 W. Broad St., □1550
Columbus, OH 43215



**Professionals Serving Construction Lenders,
Investors, and Participants**



Republic Center
 325 N. St. Paul St.
 Suite 1950
 Dallas, Texas 75201
 P: (214) 468-0807
 F: (214) 468-0724

Consultant's Observation/Draw Review and Approval Summary

Client: RBC Capital Markets ATTN: Craig Gunther	From: Clifton Greenwood, Project Manager CA Partners, Inc.
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Executive Summary

Project Name, City, State: Trails at Carmel Creek Apartments - Hutto, Texas
Project Type: Apartments **# of Units:** 61-units
Site Visit Date: October 28, 2015
Contractor Application # reviewed: Application 15
Complete Draw Package Received: Yes No October 28, 2015
For the period ending: October 15, 2015

Current Contract Sum through Change Order 9: 7,010,841
Contractor draw request checked for math errors? Yes No
Was the Budget revised or modified this period? By Reallocation No
 By Change Order No
Current Change Orders: N/A
Executed Change Orders Received: Yes No
Stored materials requested this draw? Onsite: Offsite: Yes No
Amount of Contractor's request this period: 395,908.27

Amount of Contractor's request recommended:	\$395,908.27
--	---------------------

Completion estimated by CA Partners, Inc. 90
 Completion indicated on Contractor's Application 89.98
 Hard Cost Budget appears sufficient on a of work in place basis? Yes No

Construction Schedule:

Completion date per Construction Contract or extended by Change Order No. 4: December 10, 2015
 Is Work currently on schedule to meet this date? Yes No
 If not, how far behind schedule?

Retainage:

Percent of retainage currently held 10 of completed work
 Does withheld agree with terms of Construction Contract? Yes No
 Is any retainage release requested this period? Yes No
 If Yes, how much? 0

General Contractor's lien waivers received and reviewed? Yes No
 Contract balance remaining appears sufficient at this time to complete project? Yes No
 Project being constructed in general accordance with approved Plan and Specifications Yes No
 Foundations Complete: Yes No
 Certificate(s) of Occupancy issued? Yes No
 Does CA Partners, Inc. recommend client contact us to discuss issues in this report? Yes No

This is a summary of the findings from our site visit and draw processing. Please reference the information in the pages that follow for a more comprehensive and detailed discussion of issues.

1. CONSTRUCTION FUNDING REQUEST

Summary of Contractor's Application	
Original Contract Sum	\$6,505,127.00
Net Change by Change Orders (1 □ 9)	□505,714.95
Contract Sum to Date	\$7,010,841.95
Total Completed and Stored to Date	\$6,308,033.26
Retainage	□419,124.48
Total Earned Less Retainage	\$5,888,908.78
Less Previous Certificates for Payment	□4,493,000.51
Current Payment Due	\$395,908.27

1.1 Crossroads Housing Development – Application No. 15

- Work for the Period Ending: October 15, 2015
- The Contract Sum is \$7,010,841
- The Contract Sum has not been changed since our previous report.
- Requested funding includes flatwork, landscape, masonry, and painting.
- Certified by the Project Architect on October 27, 2015.

1.2 Retainage

- 10% retainage withheld from each line item (except General Conditions, Contractor's Fee and select material line items).
- Consistent with the Owner/Contractor Agreement we reviewed.
- Owner/Contractor Agreement states 10% retainage withheld from labor items until 50% completion then reduced to 5% thereafter.
- Total retainage withheld to date: \$419,124 reflecting 6.6% of the total completed value.

1.3 Lien Waivers

General Contractor's Conditional and Unconditional Waiver and Release on Progress Payment received:

- **We have not received a Conditional Lien Waiver for amounts currently requested.**
- Unconditional waiver dated September 15, 2015 indicates amount previously requested on Application No. 14.
- Appears to meet the format requirements per recent Texas legislation (HB 1456) which mandates specific format requirements for submittal of lien waivers. HB 1456 states that, as of January 1, 2012, a lien waiver form will not be enforceable in Texas unless it is signed and notarized and substantially complies with the form prescribed by statute.
- Approval of lien waiver wording, format, and authority to sign is left to your discretion.

1.4 Funding Recommendation

CA Partners, Inc. is in agreement with the amounts requested on a "percentage of work in place" basis against the submitted Schedule of Values. **Based on your acknowledgement of comments in this report, the amount recommended to fund the General Contractor for Application No. 15 would be \$395,908.27.**

2. STORED MATERIALS

2.1 Materials Stored Onsite:

- Plumbing fixtures
- Flooring
- Cabinets
- Landscaping materials

2.2 Onsite Stored Material Request:

- No specific stored materials requests included on current submitted application

2.3 Offsite Stored Material Request:

- No offsite stored materials requests included on current submitted application

3. CHANGE ORDERS

3.1 Current Change Orders

The Contract Sum has been previously increased \$505,714 via Change Order Nos. 1-9 resulting in a Revised Contract Sum of \$7,010,841. No change orders have been indicated on the current Application for Payment No. 15. We will continue to comment in future reports as change orders are incorporated into the Contract Sum.

3.2 Pending Change Orders

- We have requested that the Borrower and/or Contractor keep us informed regarding any pending or outstanding change orders in progress during the duration of the construction project.
- We have not received any information regarding pending change orders at this time.

4. CONSTRUCTION - PROGRESS, ISSUES, AND SCHEDULE

4.1 Construction Progress

Observations made at the time of this month's site visit are as follows:

- Underground site utilities complete with the exception of offsite power which has commenced at this time.
- Framing complete at each building.
- Exterior finishes including rock, siding, and roofing complete at each building
- Installation of exterior windows and doors complete at each building.
- Mechanical, electrical, and plumbing rough in complete at each building.
- Interior gypsum board installation and tape/bed/texture wall finishes complete at each building.
- Interior paint complete at Buildings 2-7 while nearing completion at Building 1A/B.
- Fire sprinkler plumbing complete at each building.
- HVAC and electrical trim complete at Buildings 2-7 while nearing completion at Building 1A/B.
- Installation of cabinets and countertops substantially complete at Buildings 2-7 while in progress at Building 1A/B.
- Plumbing and electrical fixtures complete at Buildings 2-7 while just beginning at Building 1A/B.

- Installation of flooring finishes remains to be accomplished at each building.
- Stairs and rails installed at Building 1A/B.
- Installation of grade mounted condensing units complete at Buildings 4-7 while in progress at Building 3.
- Landscaping nearing completion with the exception of central courtyard and area directly adjacent Building 1A/B.

4.2 Construction Issues

- Offsite power improvements and routing of conduits has commenced. Based on conversations with the Contractor, permanent power is expected to be established in the month of November at which time final completion and turnover of buildings will commence. The delayed completion of these buildings is due to the need to acclimate flooring materials within the building prior to installation. This acclimation process will prevent gaps and warping of the final flooring finishes.
- Manpower/productivity has been reasonable since our prior visit.
- Overall condition of the site was relatively clean based on the current stage of construction.
- Construction quality was per industry standards and drawings/specifications.

4.3 Construction Schedule

Completion Date per Contract – Change Order No. 4:	December 10, 2015
Contractor's estimated completion date:	December 2015
CA Partners estimated completion date:	Late December 2015
Initial Building Turnover scheduled for:	September 2015
Per schedule dated:	Verbal communication
Has occupancy started:	No

- We have previously received a copy of a Construction Schedule which was undated and is an exhibit to the Owner/Contractor Agreement which indicated an estimated start date of November 1, 2014 with completion scheduled for October 2015; however, the Owner/Contractor Agreement we received indicated commencement date of November 3, 2014 and a contract duration of 365-days from commencement.
- As mentioned in our prior report, Change Order No. 1 has increased the Contract Time by 9-days due to accessibility delays.
- Change Order No. 2 increased the Contract Time by 23-days which results in a Contractual completion date of November 23, 2015.
- The Contractor has reported 23 rain delay days to date. This has caused slow progress associated with installation of site utilities.
- Change Order No. 4 increased the Contract Time by 11-days which results in a contractual completion date of December 10, 2015.
- As mentioned in previous reports, establishment of permanent power has caused delays in turnover of initial buildings. However, based on our most recent site observations, the establishment of permanent power was in progress and reportedly will be completed in November 2015. This lack of permanent power has halted progress at Buildings 2-7. Completion and turnover of these buildings will commence subsequent to establishment of permanent power. Based on conversations with the Contractor, project completion is still expected to be accomplished prior to January 1, 2016.

5. CONSTRUCTION MATERIAL TESTING

5.1 Test Results Received Since our Prior Report:

- We have not received any additional testing results since our previous report.
- Please reference comments in our prior reports regarding testing results received to date.
- We will provide comment in future report as additional testing results are received.

6. CONSTRUCTION DOCUMENTATION

- We will provide comments in future reports as additional documentation is provided.

7. CONCLUSIONS

7.1 Job Progress

- Job progress since our previous site visit has slowed due to lack of permanent power, however, continues to progress.

7.2 Estimated Completion Percentage

- Based on our field observations and work in place, we consider this project to be approximately 90% complete.

RELIANCE

This report is solely for the use of the client listed above. This report, or any report prepared by CA Partners, Inc. is not to be relied upon by any third party unless arrangements are made by executed reliance letter signed by CA Partners, Inc. and the client named above. Third party reliance will require acceptance of the scope of work originally agreed to in preparation of this report. Otherwise, CA Partners, Inc. shall hold themselves harmless, and disclaim any responsibility for the use or reliance of this report by any third party. We recommend that any third parties perform their own due diligence in examining the above property.



1. Flooring remains to be accomplished at Building 2.



2. Exterior finishes including stone and siding have been completed at Building 2.



3. Landscaping was complete adjacent Building 3.



4. Landscaping was in progress adjacent Building 2.



5. Exterior finishes were substantially complete at Building 3.



6. Landscaping materials were stored adjacent central park.



7. Grade mounted condensing unit installation was in progress at Building 4.



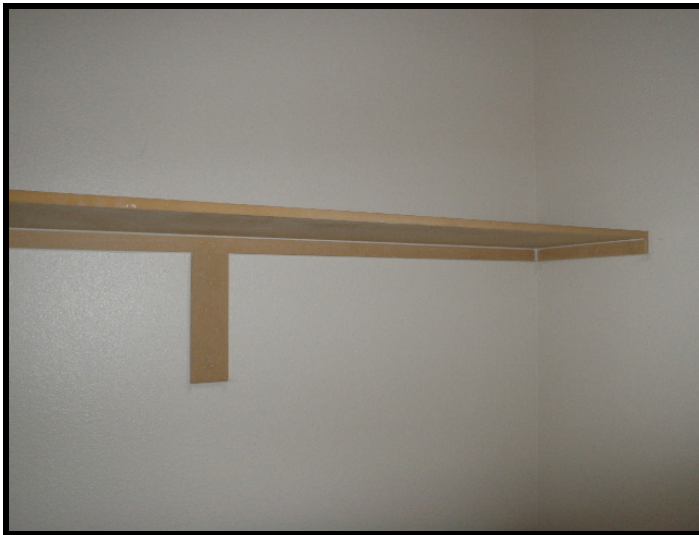
8. Generators remain located on site.



9. Cabinets and countertops have been installed at Building 5.



10. Interior fixtures and finishes were complete at Building 5.



11. Closet shelving has been installed at Building 5.



12. Exterior finishes were substantially complete at Building 6.



13. Grade mounted condensing units have been installed at Building 6.



14. Exterior finishes/roofing was complete at Building 1A/B.



15. Installation of cabinets and countertops was in progress at east portion of Building 1A/B.



16. Interior paint was nearing completion at east portion of Building 1A/B.

**CAPITAL ONE BANK
SOFT & SUBORDINATE SOFT COST REQUISITION**

Borrower's Name: Hutto DMA Housing LP

DATE: 10-31-15

Location: Hutto, TX

Req. #: 15

ITEM	ESTIMATED COST	REVISIONS PREVIOUS ADD (DEDUCT)	REVISIONS CURRENT ADD (DEDUCT)	ACTUAL COST	BANK BUDGET	REQ# Closing 10/1/2014	REQ# 1 12/4/2014	REQ# 14 10/5/2015	REQ# 15	TOTAL TO DATE	BALANCE REMAINING
Acquisition Costs											
Acquisition (Land)	626,175.00			626,175.00	626,175.00	626,175.00				626,175.00	
Acquisition Carrying Costs	32,805.00	(10,415.26)		22,389.74	22,389.74	22,389.74				22,389.74	
Purchase <input type="checkbox"/> Sale Extension Fees	-			-	-	-					
Title Insurance <input type="checkbox"/> Miscellaneous Closing Costs	-			-	-						
Total Acquisition Costs:	\$658,980.00	(\$10,415.26)		\$648,564.74	\$648,564.74	\$648,564.74				\$648,564.74	
Construction Costs											
Contractor Hard Cost	4,730,068.00	319,242.85	(20,852.36)	5,028,458.49	5,028,458.49		-	637,297.93	291,177.90	4,310,970.83	717,487.66
General Conditions	344,129.00	18,735.00		362,864.00	362,864.00		1,761.05	40,115.55	19,751.80	316,707.39	46,156.61
Contractor Overhead <input type="checkbox"/> Profit	496,477.00	23,106.00		519,583.00	519,583.00		33,794.20	43,610.03	25,279.61	399,793.41	119,789.59
Site Work	934,453.00		33,987.26	968,440.26	968,440.26		29,355.92	31,415.40	38,078.44	968,440.26	
Sub-Total Construction Costs:	6,505,127.00	361,083.85	13,134.90	6,879,345.75	6,879,345.75	-	64,911.17	752,438.91	374,287.75	5,995,911.89	883,433.86
Hard Cost Contingency	325,256.00		(13,134.90)	312,121.10	312,121.10			107,001.40	39,863.44	312,121.10	
Sub-Total Construction and Contingency Costs:	6,830,383.00	361,083.85		7,191,466.85	7,191,466.85	-	64,911.17	859,440.31	414,151.19	6,308,032.99	883,433.86
Retainage:							(6,491.12)	(36,660.16)	(18,242.92)	(419,124.47)	419,124.47
Release of Retainage:											
Total Construction Cost and Contingency:	6,830,383.00	361,083.85	\$0.00	7,191,466.85	7,191,466.85	-	58,420.05	822,780.15	395,908.27	5,888,908.52	1,302,558.33
Total Acquisition and Construction Costs:	\$7,489,363.00	\$350,668.59	\$0.00	\$7,840,031.59	\$7,840,031.59	\$648,564.74	58,420.05	822,780.15	395,908.27	\$6,537,473.26	\$1,721,682.80
Project Costs											
Market Study	6,900.00	(250.00)		6,650.00	6,650.00	3,450.00				6,650.00	
Appraisal	6,669.00			6,669.00	6,669.00	6,669.00				6,669.00	
Surveys	15,000.00	11,210.90		26,210.90	26,210.90	12,424.56	8,265.59			26,210.90	
Environmental Reports/Review	6,650.00	(989.00)		5,661.00	5,661.00	5,661.00				5,661.00	
Soil Reports / Boring	6,000.00			6,000.00	6,000.00	6,000.00				6,000.00	
Architectural Fees	241,780.00	21,707.53	3,773.60	267,261.13	267,261.13	187,628.32	32,259.24	3,785.03	3,773.60	267,261.13	
Engineering Fees	104,200.00	8,877.66		113,077.66	113,077.66	97,228.72	1,105.95	750.00		113,077.66	
Accounting / Cost Cert	25,000.00			25,000.00	25,000.00	5,000.00				5,000.00	20,000.00
Legal Fees - Borrower	70,000.00			70,000.00	70,000.00	70,000.00				70,000.00	
Other - Legal Opinion	7,500.00	(3,476.20)	(1,958.92)	2,064.88	2,064.88			887.50		1,362.50	702.38
CONA - Construction Loan Fee	58,023.00	(12,597.21)		45,425.79	45,425.79	43,023.00		400.00	400.00	44,223.00	1,202.79
CONA - Construction Loan Interest	290,795.00			290,795.00	290,795.00			17,629.13	20,659.49	83,257.50	207,537.50
Legal - Construction Lender	23,750.00			23,750.00	23,750.00	23,500.00				23,500.00	250.00
Capital One Plan <input type="checkbox"/> Cost Review / Inspections	12,500.00	3,203.03	926.19	16,629.22	16,629.22	3,500.00		2,363.03	926.19	16,629.22	

Current Application No. 15

**CAPITAL ONE BANK
SOFT & SUBORDINATE SOFT COST REQUISITION**

Borrower's Name: Hutto DMA Housing LP

DATE: 10-31-15

Location: Hutto, TX

Req. #: 15

ITEM	ESTIMATED COST	REVISIONS PREVIOUS ADD (DEDUCT)	REVISIONS CURRENT ADD (DEDUCT)	ACTUAL COST	BANK BUDGET	REQ# Closing 10/1/2014	REQ# 1 12/4/2014	REQ# 14 10/5/2015	REQ# 15	TOTAL TO DATE	BALANCE REMAINING
LIHTC Fees	26,600.00			26,600.00	26,600.00	26,600.00				26,600.00	
Title Insurance Construction	57,750.00	305.30		58,055.30	58,055.30	58,055.30				58,055.30	
Impact, Utility □ Permit Fees	10,405.00	14,785.74	32,097.99	57,288.73	57,288.73	10,404.64			32,097.99	57,288.73	
Syndication Fees	25,000.00			25,000.00	25,000.00					25,000.00	
P □ P Bond	50,000.00	7,786.00		57,786.00	57,786.00	57,786.00				57,786.00	
Title Continuance/Down Date Endorsements	3,000.00			3,000.00	3,000.00			50.00	50.00	650.00	2,350.00
Other - Sales Tax Exemption Fee	25,000.00			25,000.00	25,000.00	25,000.00				25,000.00	
Taxes During Construction	5,000.00	523.94		5,523.94	5,523.94					5,523.94	
Insurance During Construction	30,577.00	(0.33)		30,576.67	30,576.67					30,576.67	
Advertising / Marketing	10,000.00	(6,962.10)	661.14	3,699.04	3,699.04	1,104.25		1,590.89	661.14	3,699.04	
Furnishing □ Equipment	50,000.00	(1,073.00)		48,927.00	48,927.00					48,927.00	
Soft Cost Contingency	32,637.00	(32,637.00)									
Total Soft Costs:	1,200,736.00		35,500.00	1,246,651.26	1,246,651.26	643,034.79	41,630.78	27,455.58	58,568.41	1,014,608.59	232,042.67
Lease Up Reserve	35,500.00	-	(35,500.00)	-	-						
Pay Off Predevelopment Loan		-	-	-	-						
Developer Fee		-	-	-	-						
Total Project Costs:	\$ 1,236,236.00	\$ -	\$ -	\$ 1,246,651.26	\$ 1,246,651.26	\$ 643,034.79	\$ 41,630.78	\$ 27,455.58	\$ 58,568.41	\$ 1,014,608.59	\$ 232,042.67
Total Costs:	\$ 8,725,599.00	\$ 350,668.59	\$ 0.00	\$ 9,086,682.85	\$ 9,086,682.85	\$ 1,291,599.53	\$ 100,050.83	\$ 850,235.73	\$ 454,476.68	\$ 7,552,081.85	\$ 1,534,601.00
Excess / (Deficit) Sources	3,041,288.00			3,041,288.00	3,041,288.00						3,041,288.00
Totals:	\$ 11,766,887.00	\$ 350,668.59	\$ 0.00	\$ 12,127,970.85	\$ 12,127,970.85	\$ 1,291,599.53	\$ 100,050.83		\$ 454,476.68	\$ 7,552,081.85	\$ 4,575,889.00
Sources of Funds:						DATE ----->>>>					
					Budget Sources	Closing	Draw #1	Draw #14	Draw #15	Total Funded	Balance
CONA - Construction Loan	□ 5,802,323.00				□ 5,802,323.00	□ -	\$ 89,223.36	□ 850,235.73	□ 20,659.49	□ 5,103,080.06	□ 699,242.94
LIHTC Equity	□ 4,364,564.00				□ 4,364,564.00	□ 691,599.53	\$ 10,825.44	□ -	□ 208,293.78	□ 935,718.75	□ 3,428,845.25
TDHCA HOME Loan	□ 1,000,000.00				□ 1,000,000.00	□ -	□ -	□ -	□ 225,523.41	□ 900,000.00	□ 100,000.00
Sponsor Equity Loan	□ 600,000.00				□ 600,000.00	□ 600,000.00		□ -	□ -	□ 600,000.00	□ -
Total:	\$ 11,766,887.00				\$ 11,766,887.00	\$ 1,291,599.53	\$ 100,048.80	\$ 850,235.73	\$ 454,476.68	\$ 7,538,798.81	\$ 4,228,088.19
										Retainage to Date:	(419,124.47)

APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER:	Hutto DMA Housing, LP 4101 Parkstone Heights DR, STE 310 Austin, Texas 78746	PROJECT:	Trails at Carmel Creek 300 Carl Stern Drive Hutto, Texas 78634 Williamson County	APPLICATION #:	15 ✓	Distribution to:
FROM CONTRACTOR:	Crossroads Housing Development 201 NE 7th Street Big Spring, Texas 79720	ARCHITECT:	Nelsen Partners 905 Congress Avenue Austin, Texas 78701	PERIOD FROM:	09/16/15	OWNER: <input checked="" type="checkbox"/>
				PERIOD TO:	10/15/15 ✓	ARCHITECT: <input checked="" type="checkbox"/>
				CONTRACT DATE:	10/31/14	CONTRACTOR: <input checked="" type="checkbox"/>
				PROJECT NO:	250	FIELD: <input type="checkbox"/>
						OTHER: <input type="checkbox"/>

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM	<u>\$6,505,127.00</u>
2. NET CHANGE BY CHANGE ORDERS	<u>\$505,714.95 ✓</u>
3. CONTRACT SUM TO DATE (Line 1 ± 2)	<u>\$7,010,841.95 ✓</u>
4. TOTAL COMPLETED & STORED TO DATE	<u>\$6,308,033.26 ✓</u>
5. RETAINAGE:	
of Completed Work:	<u>\$419,124.48 ✓</u>
6. TOTAL EARNED LESS RETAINAGE (LINE 4 LESS LINE 5 TOTAL)	<u>\$5,888,908.78 ✓</u>
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	<u>\$5,493,000.51 ✓</u>
8. CURRENT PAYMENT DUE	<u>\$395,908.27 ✓</u>
9. BALANCE TO FINISH, PLUS RETAINAGE (Line 3 less Line 6)	<u>\$1,121,933.17</u>

CONTRACTOR: Crossroads Housing Development

By: *Gray M. Swisher* Date: 10/26/2015

State of: Texas

County of: Midland

Subscribed and sworn before me this 26th day of October, 2015



Notary Public: *Kathy Ocampo*
My Commission expires:

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based upon on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$395,908.27

ARCHITECT: Nelsen Partners

By: *Mark Blair* ✓ Date: 10/27/2015

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Contractor	\$505,714.95	\$0.00
	-	-
	-	-
	-	-
Total approved this Month	\$0.00	\$0.00
TOTALS	\$505,714.95	\$0.00
NET CHANGES by Change Order		\$505,714.95

Code		Original Scheduled Value	Previous Budget Reallocation	Current Budget Reallocation	Current Estimate	Prior JTD Cost	Current Draw	Current JTD Cost	Per Cent Compl.	Retainage Held This App.	Retainage Paid This App.	Total Net Retainage to Date	Balance To Finish
	Sitework												
4015	Cleaning and Grading	438,432.00	0.00		438,432.00	438,432.00	0.00	438,432.00	100.00%	0.00		43,843.20	0.00
4060	Landscape A	79,902.00	0.00		79,902.00	15,980.40	25,568.64	41,549.04	52.00%	1,278.43		2,077.45	38,352.96
4070	Sprinkler System A	51,450.00	0.00		51,450.00	33,957.00	11,833.50	45,790.50	89.00%	591.68		2,443.88	5,659.50
4092	Trash Enclosures	6,763.00	0.00		6,763.00	6,086.70	676.30	6,763.00	100.00%	33.82		338.16	0.00
4130	Water	184,120.00	0.00		184,120.00	184,120.00	0.00	184,120.00	100.00%	0.00		18,412.00	0.00
4140	Storm	162,724.00	0.00		162,724.00	162,724.00	0.00	162,724.00	100.00%	0.00		16,272.40	0.00
4200	Sanitary	41,862.00	0.00		41,862.00	41,862.00	0.00	41,862.00	100.00%	0.00		4,186.20	0.00
4220	Dry Utilities A	35,000.00	0.00		35,000.00	35,000.00	0.00	35,000.00	100.00%	0.00		3,500.00	0.00
4230	Construction Staking	12,200.00	0.00		12,200.00	12,200.00	0.00	12,200.00	100.00%	0.00		1,220.00	0.00
	Sitework Total	1,012,453.00	0.00	0.00	1,012,453.00	930,362.10	38,078.44	968,440.54	95.65%	1,903.93	0.00	92,293.29	44,012.46
	Concrete												
5010	Concrete Slab & Beam	569,862.00	0.00		569,862.00	569,862.00	0.00	569,862.00	100.00%	0.00		56,986.20	0.00
5020	Lightweight Concrete	38,400.00	0.00		38,400.00	38,400.00	0.00	38,400.00	100.00%	0.00		1,920.00	0.00
5060	Paving	164,925.00	0.00		164,925.00	164,925.00	0.00	164,925.00	100.00%	0.00		16,492.51	0.00
5090	Flatwork	76,800.00	0.00		76,800.00	46,080.00	30,720.00	76,800.00	100.00%	1,536.00		3,840.00	0.00
5130	Termite Control	6,527.00	0.00		6,527.00	5,874.30	0.00	5,874.30	90.00%	0.00		57.43	652.70
5190	Testing	12,200.00	0.00		12,200.00	11,590.00	0.00	11,590.00	95.00%	0.00		1,159.00	610.00
	Concrete Total	868,714.00	0.00	0.00	868,714.00	836,731.30	30,720.00	867,451.30	99.85%	1,536.00	0.00	80,985.14	1,262.70
	Framing												
6010	Framing Labor	455,025.00	0.00		455,025.00	445,924.50	9,100.50	455,025.00	100.00%	455.03		38,677.15	0.00
6015	Framing Materials A	339,850.00	0.00		339,850.00	333,053.00	6,797.00	339,850.00	100.00%	0.00		0.00	0.00
6030	Drywall	314,784.00	0.00		314,784.00	314,784.00	0.00	314,784.00	100.00%	0.00		29,904.48	0.00
6060	Floor Trusses	58,366.00	0.00		58,366.00	58,363.29	2.71	58,366.00	100.00%	0.00		0.00	0.00
6061	Roof Trusses	183,492.00	0.00		183,492.00	183,492.00	0.00	183,492.00	100.00%	0.00		0.00	0.00
6070	Clubhouse Finishes A	48,000.00	0.00		48,000.00	1,440.00	5,760.00	7,200.00	15.00%	288.00		360.00	40,800.00
6090	Cabinets A	93,696.00	0.00		93,696.00	93,696.00	0.00	93,696.00	100.00%	0.00		4,684.80	0.00
6094	Kitchen Tops A	20,000.00	0.00		20,000.00	20,000.00	0.00	20,000.00	100.00%	0.00		1,000.00	0.00
6095	Vanity Tops A	15,000.00	0.00		15,000.00	15,000.00	0.00	15,000.00	100.00%	0.00		750.00	0.00
6110	Interior Trim Material	20,925.00	0.00		20,925.00	20,925.00	0.00	20,925.00	100.00%	0.00		1,088.10	0.00
6130	Finish Carpentry Labor	35,000.00	0.00		35,000.00	19,600.00	11,900.00	31,500.00	90.00%	595.00		1,890.00	3,500.00
6250	Exterior Doors	31,248.00	0.00		31,248.00	31,248.00	0.00	31,248.00	100.00%	0.00		2,421.72	0.00
6255	Common Area Door/Trim	2,325.00	0.00		2,325.00	1,627.50	697.50	2,325.00	100.00%	34.88		139.51	0.00
6410	Interior Doors	25,984.00	0.00		25,984.00	25,984.00	0.00	25,984.00	100.00%	0.00		1,351.17	0.00
	Framing Total	1,643,695.00	0.00	0.00	1,643,695.00	1,565,137.29	34,257.71	1,599,395.00	97.30%	1,372.91	0.00	82,266.93	44,300.00
	Masonry												
7010	Masonry - Material A	61,662.00	0.00		61,662.00	46,246.50	15,415.50	61,662.00	100.00%	770.78		3,638.07	0.00
7015	Masonry - Labor A	95,584.00	0.00		95,584.00	64,997.12	30,586.88	95,584.00	100.00%	1,529.34		5,257.12	0.00
7040	Ceramic Tile A	23,744.00	0.00		23,744.00	13,296.64	8,072.96	21,369.60	90.00%	403.65		1,068.48	2,374.40
	Masonry Total	180,990.00	0.00	0.00	180,990.00	124,540.26	54,075.34	178,615.60	98.69%	2,703.77	0.00	9,963.67	2,374.40
	Metal												
8010	Metal - Structural Steel A	15,400.00	0.00		15,400.00	15,400.00	0.00	15,400.00	100.00%	0.00		1,540.00	0.00
8020	Metal Stairs/Rails	7,680.00	0.00		7,680.00	7,680.00	0.00	7,680.00	100.00%	0.00		768.00	0.00
8025	Metal Awnings	4,000.00	0.00		4,000.00	0.00	4,000.00	4,000.00	100.00%	200.00		200.00	0.00
8030	Metal Rails - Balcony	12,480.00	0.00		12,480.00	0.00	12,480.00	12,480.00	100.00%	624.00		624.00	0.00
8070	Misc. Metals	2,400.00	0.00		2,400.00	0.00	2,400.00	2,400.00	100.00%	120.00		120.00	0.00
	Metal Total	41,960.00	0.00	0.00	41,960.00	23,080.00	18,880.00	41,960.00	100.00%	944.00	0.00	3,252.00	0.00
	Roofing												
9030	Composition Shingle Roofing A	136,646.00	0.00		136,646.00	135,279.54	1,366.46	136,646.00	100.00%	68.32		9,018.63	0.00
9031	Metal Roofing A	19,832.00	0.00		19,832.00	19,237.04	0.00	19,237.04	97.00%	0.00		1,457.65	594.96
9060	Gutters & Downspouts	17,821.00	0.00		17,821.00	0.00	0.00	0.00	0.00%	0.00		0.00	17,821.00
9061	Flashing	9,600.00	0.00		9,600.00	9,600.00	0.00	9,600.00	100.00%	0.00		960.00	0.00
9065	TPO Roofing	11,040.00	0.00		11,040.00	11,040.00	0.00	11,040.00	100.00%	0.00		552.00	0.00
	Roofing Total	194,939.00	0.00	0.00	194,939.00	175,156.58	1,366.46	176,523.04	90.55%	68.32	0.00	11,988.28	18,415.96
	Glass												
10010	Windows & Screens	44,443.00	0.00		44,443.00	44,443.00	0.00	44,443.00	100.00%	0.00		0.00	0.00
10040	Mirrors	4,534.00	0.00		4,534.00	2,539.04	498.74	3,037.78	67.00%	24.94		151.89	1,498.22
10060	Shower Doors	5,568.00	0.00		5,568.00	3,118.08	612.48	3,730.56	67.00%	30.62		186.52	1,837.44
	Glass Total	54,545.00	0.00	0.00	54,545.00	50,100.12	1,111.22	51,211.34	93.89%	55.56	0.00	338.41	3,333.66

Code		Original Scheduled Value	Previous Budget Reallocation	Current Budget Reallocation	Current Estimate	Prior JTD Cost	Current Draw	Current JTD Cost	Per Cent Compl.	Retainage Held This App.	Retainage Paid This App.	Total Net Retainage to Date	Balance To Finish
Hardware													
11050	Finish Hardware	17,019.00	0.00		17,019.00	10,551.78	1,361.52	11,913.30	70.00%	68.08		595.67	5,105.70
11051	Finish Hardware - Common Areas	3,404.00	0.00		3,404.00	612.72	68.08	680.80	20.00%	3.40		34.04	2,723.20
11060	Mail Kiosk	5,389.00	0.00		5,389.00	0.00	0.00	0.00	0.00%	0.00		0.00	5,389.00
11080	Misc. Hardware	15,000.00	0.00		15,000.00	0.00	15,000.00	15,000.00	100.00%	750.00		750.00	0.00
11085	Fire Extinguishers	2,553.00	0.00		2,553.00	0.00	0.00	0.00	0.00%	0.00		0.00	2,553.00
11099	Elevators	38,400.00	0.00		38,400.00	24,960.00	2,688.00	27,648.00	72.00%	134.40		2,150.40	10,752.00
11105	Shelving (Material & Labor)	4,255.00	0.00		4,255.00	2,382.80	468.05	2,850.85	67.00%	23.40		142.54	1,404.15
11180	Garage Doors/Openers	500.00	0.00		500.00	0.00	0.00	0.00	0.00%	0.00		0.00	500.00
	Hardware Total	86,520.00	0.00	0.00	86,520.00	38,507.30	19,585.65	58,092.95	67.14%	979.28	0.00	3,672.65	28,427.05
Insulation													
12010	Wall & Attic Insulation	43,042.00	0.00		43,042.00	22,381.84	0.00	22,381.84	52.00%	0.00		1,463.42	20,660.16
	Insulation Total	43,042.00	0.00	0.00	43,042.00	22,381.84	0.00	22,381.84	52.00%	0.00	0.00	1,463.42	20,660.16
Painting													
13010	Painting-Inside	129,600.00	0.00		129,600.00	72,576.00	46,656.00	119,232.00	92.00%	2,332.80		5,961.60	10,368.00
13015	Painting-Outside	33,705.00	0.00		33,705.00	28,649.25	3,707.55	32,356.80	96.00%	185.38		1,617.85	1,348.20
13020	Tape, Bed & Texture	32,411.00	0.00		32,411.00	32,411.00	0.00	32,411.00	100.00%	0.00		1,620.55	0.00
13040	Parking Stripes	3,045.00	0.00		3,045.00	0.00	0.00	0.00	0.00%	0.00		0.00	3,045.00
	Painting Total	198,761.00	0.00	0.00	198,761.00	133,636.25	50,363.55	183,999.80	92.57%	2,518.18	0.00	9,200.00	14,761.20
Flooring													
14010	Vinyl Plank Flooring	41,919.00	0.00		41,919.00	0.00	0.00	0.00	0.00%	0.00		0.00	41,919.00
14030	Carpeting	22,841.00	0.00		22,841.00	0.00	0.00	0.00	0.00%	0.00		0.00	22,841.00
14079	Club/Rec Flooring	25,000.00	0.00		25,000.00	0.00	0.00	0.00	0.00%	0.00		0.00	25,000.00
	Flooring Total	89,760.00	0.00	0.00	89,760.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	89,760.00
Appliances													
15010	Appliances	83,538.00	0.00		83,538.00	10,024.56	0.00	10,024.56	12.00%	0.00		0.00	73,513.44
	Appliances Total	83,538.00	0.00	0.00	83,538.00	10,024.56	0.00	10,024.56	12.00%	0.00	0.00	0.00	73,513.44
Plumbing													
16010	Plumbing Material & Labor	369,277.00	0.00		369,277.00	328,656.53	11,078.31	339,734.84	92.00%	553.92		31,757.83	29,542.16
16020	Tub Repairs	1,757.00	0.00		1,757.00	0.00	878.50	878.50	50.00%	43.93		43.93	878.50
16170	Fire Sprinkler	109,243.00	0.00		109,243.00	104,873.28	0.00	104,873.28	96.00%	0.00		10,487.32	4,369.72
	Plumbing Total	480,277.00	0.00	0.00	480,277.00	433,529.81	11,956.81	445,486.62	92.76%	597.85	0.00	42,289.08	34,790.38
Electrical													
17010	Electrical	319,632.00	0.00		319,632.00	294,061.44	12,785.28	306,846.72	96.00%	639.26		24,132.21	12,785.28
17020	Fixtures	26,202.00	0.00		26,202.00	25,939.98	262.02	26,202.00	100.00%	0.00		0.00	0.00
17021	Club Fixtures	5,000.00	0.00		5,000.00	100.00	200.00	300.00	6.00%	0.00		0.00	4,700.00
17025	Common Area Fixtures	10,000.00	0.00		10,000.00	9,000.00	0.00	9,000.00	90.00%	0.00		0.00	1,000.00
17030	Phone & Cable Wiring	29,280.00	0.00		29,280.00	23,424.00	0.00	23,424.00	80.00%	0.00		1,815.36	5,856.00
17050	Exterior Site Lighting	10,000.00	0.00		10,000.00	5,000.00	4,500.00	9,500.00	95.00%	0.00		0.00	500.00
17120	Fire Alarm	28,694.00	0.00		28,694.00	22,381.32	2,008.58	24,389.90	85.00%	100.43		1,850.77	4,304.10
	Electrical Total	428,808.00	0.00	0.00	428,808.00	379,906.74	19,755.88	399,662.62	93.20%	739.69	0.00	27,798.34	29,145.38
HVAC													
18010	HVAC Material & Labor	197,280.00	0.00		197,280.00	130,204.80	35,510.40	165,715.20	84.00%	1,775.52		12,428.64	31,564.80
18040	Venting	8,510.00	0.00		8,510.00	8,510.00	0.00	8,510.00	100.00%	0.00		851.00	0.00
18050	A/C Access Doors	8,510.00	0.00		8,510.00	0.00	8,510.00	8,510.00	100.00%	425.50		425.50	0.00
	HVAC Total	214,300.00	0.00	0.00	214,300.00	138,714.80	44,020.40	182,735.20	85.27%	2,201.02	0.00	13,705.14	31,564.80
Clean-Up													
19010	Trash Removal	42,548.00	0.00		42,548.00	36,591.28	2,552.88	39,144.16	92.00%	127.64		3,361.30	3,403.84
19016	Security	42,200.00	0.00		42,200.00	36,292.00	2,532.00	38,824.00	92.00%	126.60		3,333.80	3,376.00
19020	Rough & Final Clean	17,980.00	0.00		17,980.00	15,462.80	0.00	15,462.80	86.00%	0.00		773.14	2,517.20
	Clean-Up Total	102,728.00	0.00	0.00	102,728.00	88,346.08	5,084.88	93,430.96	90.95%	254.24	0.00	7,468.24	9,297.04

Code		Original Scheduled Value	Previous Budget Reallocation	Current Budget Reallocation	Current Estimate	Prior JTD Cost	Current Draw	Current JTD Cost	Per Cent Compl.	Retainage Held This App.	Retainage Paid This App.	Total Net Retainage to Date	Balance To Finish
	Window Coverings												
22030	Mini-Blinds	11,491.00	0.00		11,491.00	0.00	0.00	0.00	0.00%	0.00		0.00	11,491.00
	Window Coverings Total	11,491.00	0.00	0.00	11,491.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	11,491.00
	Subtotal Construction Costs	5,736,521.00	0.00	0.00	5,736,521.00	4,950,155.03	329,256.34	5,279,411.37	92.03%	15,874.75	0.00	386,684.59	457,109.63
	Job Overhead												
2148	Project Overhead (\$7.5k @ 12 m	90,000.00	0.00		90,000.00	82,500.00	7,500.00	90,000.00	100.00%	✓ 375.00		7,875.00	0.00
3060	Job Insurance (General Liability)	24,709.00	0.00		24,709.00	24,709.00	0.00	24,709.00	100.00%	0.00		2,470.90	0.00
	Job Overhead Total	114,709.00	0.00	0.00	114,709.00	107,209.00	7,500.00	114,709.00	100.00%	375.00	0.00	10,345.90	0.00
	General Conditions												
3000	General Conditions	344,129.00	0.00		344,129.00	296,955.58	19,751.80	316,707.38	92.03%	✓ 0.00		0.00	27,421.62
	General Conditions Total	344,129.00	0.00	0.00	344,129.00	296,955.58	19,751.80	316,707.38	92.03%	0.00	0.00	0.00	27,421.62
	HC Contingency												
27120	Contingency	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00		0.00	0.00
99001	Change Orders	0.00	505,714.95	0.00	505,714.95	272,257.66	39,863.44	312,121.10	61.72%	✓ 1,993.17		22,093.99	193,593.85
	HC Contingency Total	0.00	505,714.95	0.00	505,714.95	272,257.66	39,863.44	312,121.10	61.72%	1,993.17	0.00	22,093.99	193,593.85
	Contractor Fees												
29001	General Contractors Fee	309,768.00	0.00		309,768.00	267,304.80	17,779.61	285,084.41	92.03%	✓ 0.00		0.00	24,683.59
	Contractor Fees Total	309,768.00	0.00	0.00	309,768.00	267,304.80	17,779.61	285,084.41	92.03%	0.00	0.00	0.00	24,683.59
	Total Hard Cost	6,505,127.00	505,714.95	0.00	7,010,841.95	5,893,882.07	414,151.19	6,308,033.26	89.98%	✓ 18,242.92	0.00	419,124.48	702,808.69
	Less Retainage					(400,881.56)	(18,242.92)	(419,124.48)					419,124.48
	TOTAL TO FUND					5,493,000.51	395,908.27	5,888,908.78					1,121,933.17

NOTICE:

This document waives rights unconditionally and states that you have been paid for giving up those rights. It is prohibited for a person to require you to sign this document if you have not been paid the payment amount set forth below. If you have not been paid, use a conditional release form.

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project: Trails at Carmel Creek
Job No: 250

The signer of this document has been paid and has received a progress payment in the sum of \$822,780.15 for all labor, services, equipment, or materials furnished ,up to the date of this wavier and release, to the property or to Hutto DMA Housing, LP on the property of Hutto DMA Housing, LP (Owner) located at Williamson County,300 Carl Stern Drive, Hutto, Texas 78634 to the following extent: General Contracting. The signer therefore waives and releases any mechanic's lien right, any right arising from payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment

The signer warrants that the signer has already paid or will use the funds received from this progress payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project up to the date of this wavier and release.

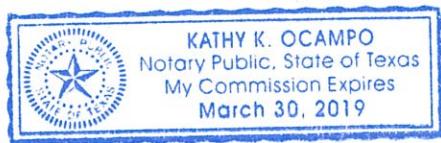
Effective Date: September 15, 2015

Company Name: Crossroads Housing Development


By: Stacy Swisher
Exective Director

STATE OF TEXAS
COUNTY OF MIDLAND

This instrument was acknowledged before me on October 26, 2015 by Stacy Swisher, Exective Director of Crossroads Housing Development .




NOTARY PUBLIC, STATE OF TEXAS

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action regarding a Placed in Service deadline extension for a Development located in a major disaster area as allowed under Section 6 of IRS Revenue Procedure 2014-49 for Summit Place (HTC # 13240)

RECOMMENDED ACTION

WHEREAS, Summit Parque, LLC (the “Development Owner”) was allocated \$1,487,000 in 9% Housing Tax Credits in 2013 to construct Summit Place (the “Development”), a development consisting of 100 new multifamily units in Dallas in Dallas County;

WHEREAS, the Development Owner is required by the Carryover Allocation Agreement to place all Units in service no later than December 31, 2015, and required by Internal Revenue Code (“IRC”) §42(h)(1) to place each building in service by no later than December 31, 2015;

WHEREAS, Internal Revenue Service (“IRS”) Revenue Procedure 2014-49 allows for and the Development Owner is requesting an extension to the placed in service deadline because the buildings are located in and impacted by a major disaster area, as declared by the President, during the two year period described in IRC §42(h)(1)(E)(i), as long as the Development Owner plans to place the Development in service no later than December 31 of the year following the end of the two year period;

WHEREAS, on Friday, May 29, 2015, initial notice was given that the President issued a major disaster declaration under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to excessive rain and flooding, and the notice was amended on Tuesday, June 16, 2015, and on Wednesday, July 1, 2015, to include Dallas County in a list of Texas counties eligible to receive individual and public assistance;

WHEREAS, the Owner has indicated that severe storms impacted construction crews on the Development during the construction phase and delayed construction progress, which has created 25 calendar days of delay in Development completion such that the Development may not be able to meet its December 31, 2015, deadline to place each building in service;

WHEREAS, the Owner is requesting disaster relief in the form of a three month extension to the Development’s placed in service deadline of December 31, 2015;

WHEREAS, aside from delaying the availability of affordable units, the requested extension does not negatively affect the Development or impact the long term viability of the transaction, and the 30 days of relief is commensurate with the delay which occurred and does not exceed the relief period specified in IRS Revenue Procedure 2014-49; and

WHEREAS, under 10 TAC §10.405(d), staff has determined that Board approval is warranted based on the extenuating circumstances in the Owner's request;

NOW, therefore, it is hereby

RESOLVED, that a 30 day extension of the placed in service deadline is hereby approved, and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Summit Parque (fka Summit Place) was awarded credits in 2013 under the 9% Housing Tax Credit program. The property is a 100-unit, general population, new construction property located in Dallas in Dallas County. The Owner, Summit Parque, LLC, is co-managed by Saigebrook Summit, LLC, and Zenstar Summit, LLC. Saigebrook Summit, LLC, is owned by Saigebrook Development, LLC, a Historically Underutilized Business owned by Lisa M. Stephens. Zenstar Summit, LLC is owned by Mitchell M. Friedman.

In a letter to the Department dated November 18, 2015, the Owner's attorney requested a three-month extension, from December 31, 2015, to March 31, 2016, to the date that the Owner is required to place each building and unit in service in accordance with IRC §42(h)(1) and the Development's Carryover Allocation Agreement, respectively. The Owner is seeking the relief under IRS Revenue Procedure 2014-49 relating to Owners of low-income buildings and housing credit agencies of States in major disaster areas declared by the President.

The letter from the Owner's attorney states that the Development experienced 25 calendar days of construction delays in excess of the allowance for lost days contained in the construction contract for the Development. The Owner explained that because the site is so small (approximately 1.4 acres) and the Development is only one building, the entire job site shut down when this Development had rain days or muddy conditions at the site, construction crews were not able to move around the site to work in different areas and sometimes could not get equipment on site at all. To mitigate the impact of the weather delays, six- and seven-day work weeks were implemented at the construction site beginning around September. Additionally, the Owner has a weekly teleconference with the general contractor and the architect to go over any job issues, review the schedule and make adjustments as needed. The Owner indicated that they are striving to complete construction and obtain temporary certificates of occupancy by December 31, 2015, but is requesting this extension to ensure that they have sufficient time to complete the Development in a satisfactory manner.

A construction observation report dated October 1, 2015, from 5G Studio Collaborative, the architect, indicated that the Development was estimated to be 94% complete as of September 25, 2015. Based on the contractor's application for payment as of September 30, 2015, the project was approximately 95% complete. The Owner reported that the Development was 98% complete as of November 23, 2015. The Owner indicated that this Development should have been completed in September or October, but the additional rain days have delayed the project until the end of the year.

The letter from the Owner's attorney states that the FEMA Notice of Major Disaster Declaration released on May 29, 2015, as well as the amended notice released on July 1, 2015, confirm the President's issuing of a major disaster declaration due to damage in the State of Texas resulting from severe storms, tornadoes,

straight-line winds, and flooding during the period of May 4, 2015, and continuing under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Staff verified that the amended notices released on June 16, 2015, and July 1, 2015, included Dallas County as a county designated by FEMA for Individual and Public Assistance under the President's disaster declarations and therefore meet the requirements of Section 4 of the Revenue Procedure for purposes of determining whether the Owner is eligible to request relief provisions.

In accordance with IRS Revenue Procedure 2014-49, Section 6.03, as an Owner affected by Presidentially declared disaster, the Owner is requesting the Department's approval for the carryover allocation relief. The agency, as directed by the Procedure, may approve such relief only for projects whose Owners cannot reasonably satisfy the deadlines of IRC §42(h)(1)(E) because of an event or series of events that led to a major disaster declaration under the Stafford Act. The agency's determination may be made on an individual project basis or the agency may determine, because of the extent of the damage in a major disaster area, that all Owners or a certain group of Owners in the major disaster area warrant the relief. In accordance with Section 7.02, the agency has the discretion to provide less than the full amount of relief allowed or no relief based on all the facts and circumstances. The Department will report any approved relief on the Form 8610 due to the IRS on February 28, 2016.

The Owner has indicated that they are making all efforts to still meet the current deadline. Staff is recommending a 30 day extension.

Extension requests are normally considered under the Uniform Multifamily Rules, Subchapter E, 10 TAC §10.405(d); however, extensions are only considered in this section if the original deadline associated with carryover, the 10 Percent Test, or cost certification requirements will not be met. The provisions in the Rule do not specifically address extensions to the placed in service deadline, and the Department's Carryover Allocation Agreement states that no extension of the deadline to place in service can be made. The IRS, however, provides for the subject disaster related extension. Staff has the ability, in accordance with provisions in 10 TAC §10.405(d), to bring to the Board material determinations that warrant Board approval due to extraordinary circumstances such as those discussed above.

Staff recommends approval of the extension request, as presented herein.



Gary J. Cohen
Partner
DIRECT (305) 347-7308
FAX (305) 347-7808
EMAIL GCOHEN@SHUTTS.COM

November 18, 2015

Mr. Tom Gouris
Deputy Executive Director for Housing Programs
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Summit Place in Dallas County, Texas (the "Development");
TDHCA No. 13240

Dear Mr. Gouris:

Our firm represents Summit Place, LLC (the "Owner"). Owner was allocated \$1,487,000 of low income housing tax credits from the Texas Department of Housing and Community Affairs ("TDHCA") in 2013. Pursuant to the carryover allocation agreement entered into in connection with such award (and Section 42(h)(1)(E)(i) of the Internal Revenue Code), the Development is required to be "placed in service" by December 31, 2015. Our firm represents Owner, and this letter is sent on Owner's behalf.

The Development has incurred significant weather delays (25 calendar days in excess of the allowance for lost days contained in the construction contract for the Development). See Exhibit A attached for a breakdown of the lost calendar days attributable to weather, as contained in change orders from the Development's general contractor to Owner.

Owner is striving to complete the Development by December 31, 2015 and believes that construction can be completed by the end of the year; however, in order avoid the significant hardship (i.e., loss of all low-income housing tax credits) which would result from failure to meet the December 31, 2015 deadline and to insure that Owner has sufficient to complete the Development in a satisfactory manner, Owner is hereby requesting a three month extension of the deadline to place the Development in service to March 31, 2016. This request is being made pursuant to IRS Revenue Procedure 2014-49 and Section 10.405(d) of the TDHCA 2015 Uniform Multifamily Rules.

Section 7.02 of the Revenue Procedure permits TDHCA to grant an extension until December 31, 2016 with respect to the "placed in service" deadline for the Development. As referenced above, Owner is requesting a shorter extension, as is reasonable and necessary to complete the Development.

The Revenue Procedure requires (as a prerequisite to the requested relief) that a "Major Disaster" have occurred and that the development seeking relief be located within a "Major

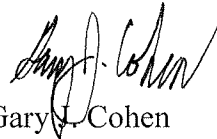
Mr. Tom Gouris
November 18, 2015
Page 2

Disaster Area”, all is more fully set forth in Revenue Procedure 2014-49. The declaration of “Major Disaster” occurred on May 29, 2015 by FEMA-4223-DR. Amendment No. 6 to such pronouncement (published July 1, 2015) added Dallas County to the list of counties eligible for relief under the aforementioned Notice. As such, the Development is eligible for the requested relief.

As is indicated by the documentation included as Exhibit A, the 25 calendar days of construction lost as a result of the severe storms giving rise to the declaration of Major Disaster (such days representing the excess of total days lost over the allowance for lost days contained in the construction contract) has moved proposed completion of the Development perilously close to the December 31, 2015 deadline; hence, the necessity of the Owner to request an extension of such deadline until March 31, 2016.

Thank you for your consideration of this request. If you have any questions, please contact Lisa Stephens (the Owner’s Vice-President) at 352-213-8700.

Sincerely,



Gary J. Cohen

GJC/mar
Enclosure

MIADOCS 11874893 1

Time Impact Log

Project:	Summit Parque
Date Published:	11/17/2015

Total Adverse Weather/Issue Days Added To Schedule:	25
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KWA Construction.LP

Month	Day	AM Temp.	PM Temp.	Precip. Inches	Claimed Weather Day	Weather/Issue Description	Critical Path Items Delayed	NOAA- Average No. Of Days w/ Rainfall > .5"	Days Claimed	Tot. No. Of Days Delayed Less Avg.
Nov	Wed.-11/05	54	57	0.5	1	Rain and mud	3rd Section of Upper Parking deck forming and reinforcing and Leasing slab			
Nov					2			2	2	0
Dec	Thurs.-12/18	46	48	0.5	1	Rain	Rain impacted the framer's ability to perform layout of walls on the podium deck. No work on this activity could be performed.			
Dec	Fri.-12/19	46	52	0.5	1	Rain	Rain impacted the framer's ability to perform layout of walls on the podium deck. No work on this activity could be performed.			
Dec	Tues.-12/23	41	53	0.5	1	Rain	Rain impacted the framer's ability to complete layout of walls on the podium deck and start framing. No work on these activities could be performed.			
Dec	12/22 thru 22	54	63				Schedule will need to be analyzed to determine the impact of using generator power.			
Dec					3			2	3	1
Jan	Fri. - 1/2	39	41	0.5	1	Rain	Rain impacted framing on the 2nd floor and mobility around the site.			
Jan	Sat. - 1/3	39	48	0.5	1	Rain	Overnight / early morning rain impacted framing on the 2nd floor and mobility around the site.			
Jan	Wed. - 1/7	33	35	0	1	Cold or Freezing Temperatures	Winds up to 28 mph, wind chills impacted masonry work at Stair Tower 1.			
Jan	Thurs. - 1/8	18	31	0	1	Cold or Freezing Temperatures	No masonry work at Stair Tower 1			
Jan	Fri. - 1/9	31	34	0	1	Cold or Freezing Temperatures	Very limited masonry work at Stair Tower 1			
Jan	Fri, 1/9 - Tues. 1/13						Framers and plumbers were unable to maintain full crews on site due to not having all required information on framing (see RFI responses and wall revisions dated 1/13-1/14)			
Jan	Thurs. - 1/22	43	43	0.75	1	Rain	Impacting framing and masonry work			
Jan					6			1	6	5
Feb	Thurs. - 2/05	30	34		1	Cold Temperatures, Ice on floor decking	Framers, Masonry			
Feb	Mon. - 2/16	32	34	0.75	1	Rain	Framers, Masonry			
Feb	Mon. - 2/23 - Wed. 2/25	25	28	1.25	3	Snow / Ice / Cold Temperatures	Framers, Masonry			
Feb	Fri.-2/27 & Sat.-2/28	27	27	1.5		Snow / Ice / Cold Temperatures	Framers, Masonry, Power Infrastructure			
Feb					5			2	5	3
Mar	Mon. 3/2 - Fri. 3/06			4.75		Rain, Snow, Ice Cold Temperatures	Framers, Masonry, Power Infrastructure			
Mar	Mon. 3/9 - Wed. 3/11	48	50	2	3	Rain, Muddy Conditions	Framers, Masonry, Power Infrastructure			
Mar	Fri. 3/13	50	42	1.5	1	Rain	Framers, Masonry, Power Infrastructure			
Mar					4			3	4	1
Apr	4/6/2015	58	83	1.5	1	Rain	Framing, Power Infrastructure			
Apr	4/13/2015	58	70	0.75	1	Rain, Muddy Conditions	Framing, Power Infrastructure			
Apr	4/18/2015	58	81	0.48	1	Rain, Muddy Conditions	Framing, Electrical Primary			
Apr	4/21/2015	48	73	0.12	1	Rain, Muddy Conditions	Site work, Electrical Primary			
Apr	4/23/2015	65	74	0.5	1	Rain, Muddy Conditions	Electrical Primary, Roof work			
Apr	4/25/2015	55	87	0.12	1	Rain, Muddy Conditions	Framing and Electrical Primary			
Apr	4/27/2015	54	73	0.83	1	Rain, Muddy Conditions	Framing and Electrical Primary			
Apr	4/28/2015	49	59	0.05	1	Rain, Muddy Conditions	Framing and Electrical Primary			
Apr					7			2	7	5
May	5/8/2015	67	83	1	1	Muddy Conditions	Sitework, Electrical, Framing, Roofing			
May	5/13/2015	62	69	1.12	1	Rain, Muddy Conditions	Sitework, Electrical, Framing, Roofing			
May	5/14/2015	64	83	0.12	1	Rain, Muddy Conditions	Sitework, Electrical, Framing, Roofing			
May	5/21/2015	55	63	0.01	1	Rain, Muddy Conditions	Sitework, Concrete, Stucco			
May	5/23/2015	70	79	0.06	1	Rain, Muddy Conditions	Sitework, Concrete, Stucco			
May	5/29/2015	72	75	6.5	1	Rain, Muddy Conditions	Sitework, Concrete, Stucco			
May	5/30/2015	66	73	2	1	Rain, Muddy Conditions	Sitework, Concrete, Stucco			
May					7			3	7	4
June	6/17/2015	74	77	2	1	Rain, Muddy Conditions	Sitework, Concrete, Stucco			
June	6/18/2015	75	93	0.09	1	Rain, Muddy Conditions	Sitework, Concrete, Stucco			
June										
June					2			3	2	0
Total Days:									54	25

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action regarding a Placed in Service deadline extension for a Development located in a major disaster area as allowed under Section 6 of IRS Procedure Ruling 2014-49 for The Estates at Ellington (HTC # 13117).

RECOMMENDED ACTION

WHEREAS, TX Strawberry Apartments, Ltd. (Development Owner) was allocated \$613,361 in 9% Housing Tax Credits in 2013 to construct The Estates at Ellington (the “Development”) formerly known as Red Bluff, a development consisting of 72 new multifamily units in the City of Houston in Harris County;

WHEREAS, the Development Owner is required by the Carryover Allocation Agreement to place all Units in service no later than December 31, 2015, and required by Internal Revenue Code (“IRC”) §42(h)(1) to place each building in service by no later than December 31, 2015;

WHEREAS, Internal Revenue Service (“IRS”) Revenue Procedure 2014-49 allows for and the Development Owner is requesting an extension to the placed in service deadline because the buildings are located in and impacted by a major disaster area, as declared by the President, during the two year period described in IRC §42(h)(1)(E)(i) and the Development Owner plans to place the Development in service no later than December 31 of the year following the end of the two year period;

WHEREAS, on Friday, May 29, 2015, initial notice was given that the President issued a major disaster declaration under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to the excessive rain and flooding that ensued and the notice was amended on Friday, June 5, 2015, and on Tuesday, June 9, 2015, to include additional Texas counties eligible to receive individual and public assistance;

WHEREAS, the Owner has indicated that severe and wet weather from commencement of construction to July 2015 delayed site work, installation of utilities, and initial concrete operations for a total weather-related delay of 227 days (164 “rain” days and 63 “mud” days), which has created overall delays in Development completion such that the Development may not be able to meet its deadline of December 31, 2015, to place each building in service;

WHEREAS, the Owner is requesting disaster relief in the form of a two month extension to the Development’s placed in service deadline of December 31, 2015;

WHEREAS, aside from delaying the availability of affordable units the requested changes do not negatively affect the Development or impact the long term viability of the transaction and the requested relief is commensurate with the delay which occurred and does not exceed the relief period specified in IRS Revenue Procedure 2014-49; and

WHEREAS, under 10 TAC §10.405(d), staff has determined that Board approval is warranted based on the extenuating circumstances in the Owner's request;

NOW, therefore, it is hereby

RESOLVED, that a two month extension is hereby approved and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

The Estates at Ellington (formerly known as Red Bluff) was awarded credits in 2013 under the 9% Housing Tax Credit program. The property is a 72-unit, new construction property located in the City of Houston in Harris County. The Owner, TX Strawberry Apartments, Ltd. and its General Partner, TX Strawberry Apartments I, LLC, are co-owned and managed by Rick J. Deyoe and Adrian Iglesias, as the HUB member.

The Owner, through their attorney Locke Lord LLP, on December 8, 2015, submitted a letter to the Department requesting a two month extension to the date the Owner is required to place each building and unit in service in accordance with IRC §42(h)(1) and the Development's Carryover Allocation Agreement, respectively. The Owner is seeking the relief under IRS Procedure Ruling 2007-54 (superseded and modified by IRS Revenue Procedure 2014-49) relating to Owners of low-income buildings and housing credit agencies of States in major disaster areas declared by the President.

According to the Owner, from the commencement of construction through July 2015, construction of the Development was delayed due to 164 "rain" days and 63 "mud" days, for a total weather-related delay of 227 days. During that time, the area received over 78 inches of rain. The excessive moisture delayed among other things, site work, installation of utilities, and initial concrete operations. Delays in these activities led to delays in subsequent construction activities, such as framing and exterior and interior work. The Development Owner has discussed that the development team is working diligently to make up lost time and place buildings in service before December 31, 2015, but with the impact of the noted delays, the Owner is concerned about the short window of time available for the completion of construction and receipt of the Certificates of Occupancy.

The latest Construction Status Report submitted to the Department on September 16, 2015, reports that as of August 25, 2015, construction was approximately 92% complete. A field observation conducted on the Development site estimated completion by October 2015. As of December 8, 2015, the property status is as follows:

- The clubhouse has a temporary certificate of occupancy and furniture.
- Mechanical, electrical, and plumbing inspections are complete for all buildings.
- The Fire Marshall has completed a final inspection.
- The Development has landscaping, pavement striping, a swimming pool, a playscape and a barbeque area.
- Exteriors are complete, breezeways are complete and cleaned, and interior units are complete, cleaned, and move-in ready. Aerial pictures as of November 9 are provided with the extension request along with a variety of recent exterior and interior pictures.

- The contractor's senior officer is in Houston, working with the City to assure issuance of certificates of occupancy.

However, the Owner states that the administrative process with the City of Houston over the past few months has been time-consuming. The Fire Marshall alone requested four rounds of field modifications to the City-approved plans. Although the Owner believes certificates of occupancy may be achieved by December 31st, because of the unpredictability of dealing with the City, the Owner cannot risk a loss of tax credits and is seeking this request as a precautionary measure.

The Owner has submitted verification of the FEMA Notices of Major Disaster Declaration released on May 29, 2015, as well as the amended notices released on June 5, 2015, and June 9, 2015, that confirm the President's issuing of a major disaster declaration due to damage in the State of Texas resulting from severe storms, tornadoes, straight-line winds, and flooding during the period of May 4, 2015, and continuing under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The original notice released on May 29, 2015, included Harris County as a county designated by FEMA for Individual and Public Assistance under the President's disaster declarations and therefore meets the requirements of Section 4 of the Revenue Ruling for purposes of determining whether the Owner is eligible to request relief provisions.

In accordance with IRS Revenue Procedure 2014-49 Section 6.03, as an Owner affected by Presidentially declared disaster, the Owner is requesting the Department's approval for the carryover allocation relief. The agency, as directed by the Procedure Ruling, may approve such relief only for projects whose Owners cannot reasonably satisfy the deadlines of IRC §42(h)(1)(E) because of an event or series of events that led to a major disaster declaration under the Stafford Act. The agency's determination may be made on an individual project basis or the agency may determine, because of the extent of the damage in a major disaster area, that all Owners or a certain group of Owners in the major disaster area warrant the relief. In accordance with Section 7.02, the agency has the discretion to provide less than the full amount of relief allowed or no relief based on all the facts and circumstances. The Department will report any approved relief on the Form 8610 due to the IRS on February 28, 2016.

The Owner has indicated that they are making all efforts to still meet the current deadline. Staff is recommending a two month extension.

Extension requests are normally considered under the Uniform Multifamily Rules, Subchapter E, 10 TAC §10.405(d); however, extensions are only considered in this section if the original deadline associated with carryover, the 10 Percent Test, or cost certification requirements will not be met. The provisions in the Rule do not specifically address extensions to the placed in service deadline and the Department's Carryover Allocation Agreement states that no extension of the deadline to place in service can be made. The IRS, however, provides for the subject disaster related extension. Staff has the ability, in accordance with provisions in 10 TAC §10.405(d), to bring to the Board material determinations that warrant Board approval due to extraordinary circumstances such as those discussed above.

Staff recommends approval of the extension request as presented herein.



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Cynthia L. Bast
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cbast@lockelord.com

December 8, 2015

Mr. Tom Gouris
Deputy Executive Director for Housing Programs
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Estates at Ellington in Houston, Texas (the "**Development**")
TDHCA No. 13117

Dear Mr. Gouris:

Our firm represents TX Strawberry Apartments, Ltd. ("**Owner**"), which received an allocation of low-income housing tax credits ("**Tax Credits**") from the Texas Department of Housing and Community Affairs ("**TDHCA**") for the construction of the Development, and this letter is sent on Owner's behalf. Pursuant to Section 42(h)(1)(E)(i) of the Internal Revenue Code, Owner is required to place the Development in service by December 31, 2015.

The Development is located in Harris County, Texas. On May 29, 2015 President Obama declared a major disaster for three counties in the State of Texas (FEMA-4223-DR) for "severe storms, tornadoes, straight-line winds, and flooding." This declaration included Harris County as an affected area. Construction of the Development began May 9, 2014, with an anticipated construction schedule of one year. From the commencement of construction through July 2015, construction of the Development was delayed due to 164 "rain" days and 63 "mud" days, for a total weather-related delay of 227 days. During that time the area received 78.87 inches of rain, compared to the typical average of 61.58 inches. See Exhibit A attached hereto for the daily rainfall breakdown. The excessive moisture delayed Owner's ability to, among other things, complete site work, install utilities, and carryout initial concrete operations. Delays in these activities led to delays in subsequent construction activities, such as framing and exterior and interior work.

Fortunately, once the rains stopped, construction moved along in a timely manner. The Development was 92% complete in August. As of today's date:

- The clubhouse has a temporary certificate of occupancy and furniture.
- MEP inspections are complete for all buildings.
- The Fire Marshal has completed a final inspection.
- The Development has landscaping, pavement striping, a swimming pool and playscape and a barbeque area. Exteriors are complete, breezeways are complete and cleaned, and interior units are complete, cleaned, and move-in ready. Aerial pictures as of November 9 are provided at Exhibit B, along with a variety of recent exterior and interior pictures. (Note the corner outparcel does not belong to Owner.)
- The contractor's senior officer is in Houston today, working with the City to assure issuance of certificates of occupancy.

The administrative process with the City of Houston over the past few months has been time-consuming. The Fire Marshal alone has requested four rounds of field modifications to the City-approved plans. Now that Owner is implementing the final set of changes requested by the Fire Marshal, Owner believes certificates of occupancy can be achieved by December 31. However, the unpredictability of dealing with the City leaves Owner in a precarious position, a position Owner would not have been in but for the rain delays that extended the construction schedule. Out of responsibility to its investor, Owner cannot risk a loss of tax credits and is seeking this request as a prophylactic measure.

Because of the challenges caused by the rain, Owner submits this request for a two-month extension of the deadline to place the Development in service to February 29, 2016. This request is submitted, and may be granted by TDHCA, pursuant to Rev. Proc. 2007-54. Section 5.03 of that Revenue Procedure states:

If an Owner has a carryover allocation for a building located in a major disaster area and the area is declared a major disaster area during the 2-year period described in §42(h)(1)(E)(i), the [Internal Revenue] Service will treat the Owner as having satisfied the applicable placed in service requirement if the Owner places the building in service no later than December 31 of the year following the end of the 2-year period.

In the alternative, we request that Owner be permitted to return the Tax Credits and that TDHCA reallocate the Tax Credits in the current year pursuant to the "Force Majeure" provisions in Section 11.6(5) of the 2015 Qualified Allocation Plan (the "**QAP**"). We believe Owner and the Development meet all of the requirements of Section 11.6(5), in that:

1. The delays in construction were a direct result of significant weather events referenced above as well as a generalized industry shortage in subcontractor manpower. In addition, a protracted process with the City of Houston has delayed issuance of certificates of occupancy.
2. The delays were not caused by willful negligence or acts of Owner, any Affiliate, or any other Related Party.
3. Evidence of the excessive rainfall is attached as Exhibit A.
4. Owner and the contractor are experienced developers of these types of properties, and each took any steps available to them to mitigate the delays; however, the weather and shortages were not within their control.
5. Owner substantially fulfilled all of its obligations that were not impeded by the weather events; the Development was properly insured; and TDHCA was notified of the weather events.
6. The weather events have prevented Owner from meeting the placement in service requirements of the original allocation.
7. The requested current year Carryover Agreement would allocate the same amount of Tax Credits as those that would be returned.
8. The Development continues to be financially viable.

Please feel free to contact me with any questions. We sincerely appreciate your assistance with this matter.

Respectfully submitted,



Cynthia L. Bast

December 8, 2015
Page 4
































cc: Rick J. Deyoe
Adrian Iglesias
Lucy Treviño

Exhibit A
(attached)

Weather History for KHOU - May, 2014

May Precip Stats: Actual Month Total: 11.71 in | Average Month Total: 5.09 in

Precipitation accumulation is shown as one of these two metrics -































Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				 Actual: 75° 48° 0.00 in Average: 83° 64° 0.15 in	 Actual: 81° 51° 0.00 in Average: 83° 64° 0.15 in	 Actual: 88° 61° 0.00 in Average: 83° 64° 0.16 in
 Actual: 88° 61° 0.00 in Average: 84° 65° 0.16 in	 Actual: 86° 59° 0.00 in Average: 84° 65° 0.17 in	 Actual: 85° 68° 0.00 in Average: 84° 65° 0.17 in	 Actual: 85° 65° T in Average: 84° 65° 0.17 in	 Actual: 78° 75° 0.04 in Average: 85° 66° 0.17 in	 Actual: 86° 64° 0.33 in Average: 85° 66° 0.17 in	 Actual: 87° 63° T in Average: 85° 66° 0.17 in
 Actual: 87° 75° 0.01 in Average: 85° 67° 0.17 in	 Actual: 85° 67° 0.28 in Average: 85° 67° 0.16 in	 Actual: 75° 60° 3.44 in Average: 86° 67° 0.16 in	 Actual: 72° 54° 0.15 in Average: 86° 67° 0.16 in	 Actual: 79° 49° 0.00 in Average: 86° 68° 0.18 in	 Actual: 85° 62° 0.00 in Average: 86° 68° 0.17 in	 Actual: 86° 63° 0.00 in Average: 87° 68° 0.17 in
 Actual: 85° 63° T in Average: 87° 68° 0.15 in	 Actual: 85° 67° 0.00 in Average: 87° 68° 0.16 in	 Actual: 87° 71° 0.00 in Average: 87° 69° 0.16 in	 Actual: 86° 71° 0.00 in Average: 88° 69° 0.15 in	 Actual: 87° 69° 0.00 in Average: 88° 69° 0.16 in	 Actual: 85° 66° 0.00 in Average: 88° 69° 0.16 in	 Actual: 88° 66° 0.00 in Average: 88° 70° 0.16 in
 Actual: 87° 71° 0.00 in Average: 88° 70° 0.16 in	 Actual: 80° 68° 2.91 in Average: 89° 70° 0.17 in	 Actual: 76° 65° 1.44 in Average: 89° 70° 0.17 in	 Actual: 84° 68° 1.34 in Average: 89° 70° 0.17 in	 Actual: 88° 68° 0.00 in Average: 89° 71° 0.17 in	 Actual: 88° 70° 1.73 in Average: 89° 71° 0.17 in	 Actual: 85° 71° 0.04 in Average: 90° 71° 0.17 in

Calendar Legend



Weather History for KHOU - June, 2014

June Precip Stats: Actual Month Total: 2.18 in | Average Month Total: 5.93 in

Precipitation accumulation is shown as one of these two metrics -

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
 Actual: 88° 71° 0.01 in Average: 90° 71° 0.18 in	 Actual: 89° 72° T in Average: 90° 71° 0.17 in	 Actual: 88° 73° T in Average: 90° 72° 0.18 in	 Actual: 90° 71° 0.00 in Average: 90° 72° 0.17 in	 Actual: 92° 75° 0.00 in Average: 90° 72° 0.18 in	 Actual: 92° 73° 0.00 in Average: 91° 72° 0.18 in	 Actual: 93° 73° 0.00 in Average: 91° 72° 0.18 in
 Actual: 92° 77° 0.02 in Average: 91° 72° 0.19 in	 Actual: 87° 72° 0.50 in Average: 91° 73° 0.19 in	 Actual: 87° 71° 0.01 in Average: 91° 73° 0.19 in	 Actual: 94° 68° 0.00 in Average: 91° 73° 0.21 in	 Actual: 94° 74° 0.10 in Average: 91° 73° 0.22 in	 Actual: 92° 77° 0.01 in Average: 91° 73° 0.21 in	 Actual: 91° 71° 0.00 in Average: 91° 73° 0.21 in
 Actual: 93° 74° 0.00 in Average: 92° 73° 0.21 in	 Actual: 92° 77° T in Average: 92° 74° 0.21 in	 Actual: 93° 80° 0.00 in Average: 92° 74° 0.21 in	 Actual: 89° 78° 0.22 in Average: 92° 74° 0.22 in	 Actual: 92° 75° 0.00 in Average: 92° 74° 0.22 in	 Actual: 92° 74° 0.00 in Average: 92° 74° 0.21 in	 Actual: 92° 71° T in Average: 92° 74° 0.21 in
 Actual: 90° 76° 0.07 in Average: 92° 74° 0.22 in	 Actual: 92° 73° 0.50 in Average: 92° 74° 0.20 in	 Actual: 92° 74° 0.54 in Average: 92° 74° 0.21 in	 Actual: 83° 73° 0.09 in Average: 92° 75° 0.20 in	 Actual: 86° 73° T in Average: 92° 75° 0.19 in	 Actual: 90° 74° 0.01 in Average: 92° 75° 0.19 in	 Actual: 90° 79° 0.10 in Average: 93° 75° 0.19 in
 Actual: 93° 79° 0.00 in Average: 93° 75° 0.19 in	 Actual: 93° 78° 0.00 in Average: 93° 75° 0.19 in					
































Calendar Legend

-  Sunny Clear
-  Mostly Cloudy
-  Partly Cloudy
-  Cloudy
-  Rain
-  Snow
-  Hail Flurries
-  Thunderstorms
-  Hazy Fog
-  Sleet
-  '?' denotes 'chance of'
-  Unknown


Weather History for KHOU - July, 2014

July Precip Stats: Actual Month Total: 5.40 in | Average Month Total: 3.79 in

Precipitation accumulation is shown as one of these two metrics -

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		 Actual: 94° 74° 0.00 in Average: 93° 75° 0.16 in	 Actual: 94° 74° 0.00 in Average: 93° 75° 0.16 in	 Actual: 94° 73° T in Average: 93° 75° 0.16 in	 Actual: 91° 72° 0.48 in Average: 93° 75° 0.15 in	 Actual: 90° 73° 0.31 in Average: 93° 75° 0.16 in
 Actual: 89° 72° 0.01 in Average: 93° 75° 0.15 in	 Actual: 93° 74° 0.08 in Average: 93° 75° 0.15 in	 Actual: 92° 74° 0.00 in Average: 93° 75° 0.15 in	 Actual: 95° 74° 0.00 in Average: 93° 75° 0.14 in	 Actual: 93° 73° T in Average: 93° 75° 0.14 in	 Actual: 94° 72° T in Average: 93° 75° 0.13 in	 Actual: 94° 74° 0.00 in Average: 93° 75° 0.12 in
 Actual: 96° 77° T in Average: 94° 75° 0.13 in	 Actual: 96° 76° 0.00 in Average: 94° 75° 0.12 in	 Actual: 89° 75° 0.06 in Average: 94° 75° 0.12 in	 Actual: 90° 73° 0.00 in Average: 94° 75° 0.12 in	 Actual: 89° 76° 0.39 in Average: 94° 75° 0.10 in	 Actual: 87° 75° 0.04 in Average: 94° 75° 0.11 in	 Actual: 85° 72° 0.00 in Average: 94° 75° 0.11 in
 Actual: 93° 73° 0.01 in Average: 94° 75° 0.11 in	 Actual: 96° 77° 0.00 in Average: 94° 75° 0.10 in	 Actual: 96° 77° 0.00 in Average: 94° 75° 0.10 in	 Actual: 95° 76° 0.07 in Average: 94° 75° 0.11 in	 Actual: 94° 73° 0.01 in Average: 94° 75° 0.10 in	 Actual: 95° 74° 0.00 in Average: 94° 75° 0.10 in	 Actual: 95° 78° 0.00 in Average: 94° 75° 0.11 in
 Actual: 97° 77° 0.00 in Average: 95° 75° 0.10 in	 Actual: 99° 77° 0.00 in Average: 95° 75° 0.10 in	 Actual: 92° 74° 0.03 in Average: 95° 75° 0.10 in	 Actual: 94° 72° 0.00 in Average: 95° 75° 0.09 in	 Actual: 94° 73° 3.91 in Average: 95° 75° 0.09 in		
































Calendar Legend

-  Sunny Clear
-  Mostly Cloudy
-  Partly Cloudy
-  Cloudy
-  Rain
-  Snow
-  Hail Flurries
-  Thunderstorms
-  Hazy Fog
-  Sleet
-  '?' denotes 'chance of'
-  Unknown

Weather History for KHOU - August, 2014

August Precip Stats: Actual Month Total: 1.24 in | Average Month Total: 3.76 in































Precipitation accumulation is shown as one of these two metrics -

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					 Actual: 87° 73° 0.01 in Average: 95° 75° 0.10 in	 Actual: 82° 71° 0.00 in Average: 95° 75° 0.10 in
 Actual: 89° 72° 0.00 in Average: 95° 75° 0.10 in	 Actual: 92° 73° T in Average: 95° 75° 0.11 in	 Actual: 92° 74° T in Average: 95° 75° 0.10 in	 Actual: 94° 75° T in Average: 95° 75° 0.11 in	 Actual: 95° 79° 0.00 in Average: 95° 75° 0.11 in	 Actual: 97° 77° 0.10 in Average: 95° 75° 0.10 in	 Actual: 94° 77° 0.00 in Average: 95° 75° 0.11 in
 Actual: 94° 78° 0.00 in Average: 95° 75° 0.11 in	 Actual: 97° 75° 0.25 in Average: 95° 75° 0.10 in	 Actual: 97° 76° 0.00 in Average: 95° 75° 0.11 in	 Actual: 94° 73° 0.00 in Average: 95° 75° 0.11 in	 Actual: 93° 73° 0.02 in Average: 95° 75° 0.11 in	 Actual: 96° 75° 0.00 in Average: 95° 75° 0.11 in	 Actual: 98° 80° 0.00 in Average: 95° 75° 0.12 in
 Actual: 97° 78° T in Average: 95° 75° 0.12 in	 Actual: 96° 76° 0.00 in Average: 95° 75° 0.13 in	 Actual: 94° 76° T in Average: 95° 75° 0.13 in	 Actual: 96° 74° 0.01 in Average: 95° 75° 0.13 in	 Actual: 98° 76° 0.00 in Average: 94° 75° 0.13 in	 Actual: 98° 75° 0.00 in Average: 94° 75° 0.13 in	 Actual: 98° 75° 0.00 in Average: 94° 75° 0.13 in
 Actual: 98° 74° 0.00 in Average: 94° 75° 0.14 in	 Actual: 97° 76° 0.00 in Average: 94° 75° 0.13 in	 Actual: 97° 74° 0.00 in Average: 94° 74° 0.14 in	 Actual: 94° 75° 0.00 in Average: 94° 74° 0.14 in	 Actual: 90° 76° 0.00 in Average: 94° 74° 0.14 in	 Actual: 91° 75° 0.02 in Average: 93° 74° 0.15 in	 Actual: 92° 75° T in Average: 93° 74° 0.15 in
 Actual: 84° 74° 0.83 in Average: 93° 74° 0.16 in						

Weather History for KHOU - September, 2014

September Precip Stats: Actual Month Total: 3.88 in | Average Month Total: 4.12 in

Precipitation accumulation is shown as one of these two metrics -
































Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	 Actual: 93° 74° 0.36 in Average: 93° 74° 0.15 in	 Actual: 94° 76° 0.00 in Average: 93° 73° 0.14 in	 Actual: 93° 75° 0.00 in Average: 93° 73° 0.14 in	 Actual: 93° 76° 0.00 in Average: 92° 73° 0.14 in	 Actual: 93° 75° 0.03 in Average: 92° 73° 0.14 in	 Actual: 95° 75° 0.16 in Average: 92° 73° 0.14 in
 Actual: 95° 73° 0.42 in Average: 92° 72° 0.15 in	 Actual: 92° 72° 0.00 in Average: 92° 72° 0.15 in	 Actual: 95° 74° 0.00 in Average: 91° 72° 0.15 in	 Actual: 95° 78° 0.00 in Average: 91° 72° 0.16 in	 Actual: 97° 76° 0.00 in Average: 91° 71° 0.15 in	 Actual: 89° 75° 0.02 in Average: 91° 71° 0.15 in	 Actual: 77° 67° 0.01 in Average: 90° 71° 0.15 in
 Actual: 77° 65° 0.00 in Average: 90° 70° 0.15 in	 Actual: 92° 68° T in Average: 90° 70° 0.14 in	 Actual: 91° 75° 0.12 in Average: 90° 70° 0.13 in	 Actual: 89° 75° 0.25 in Average: 89° 70° 0.13 in	 Actual: 81° 73° 2.31 in Average: 89° 69° 0.13 in	 Actual: 84° 73° 0.20 in Average: 89° 69° 0.12 in	 Actual: 89° 73° 0.00 in Average: 89° 69° 0.13 in
 Actual: 91° 73° 0.00 in Average: 88° 68° 0.13 in	 Actual: 93° 72° T in Average: 88° 68° 0.12 in	 Actual: 84° 64° 0.00 in Average: 88° 68° 0.13 in	 Actual: 85° 64° 0.00 in Average: 88° 67° 0.13 in	 Actual: 80° 68° T in Average: 87° 67° 0.13 in	 Actual: 86° 68° 0.00 in Average: 87° 67° 0.13 in	 Actual: 86° 71° T in Average: 87° 66° 0.13 in
 Actual: 89° 72° 0.00 in Average: 87° 66° 0.13 in	 Actual: 89° 70° 0.00 in Average: 86° 66° 0.12 in	 Actual: 89° 71° T in Average: 86° 65° 0.13 in				

Calendar Legend

Weather History for KHOU - October, 2014

October Precip Stats: Actual Month Total: 3.45 in | Average Month Total: 5.70 in

Precipitation accumulation is shown as one of these two metrics -






























Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			 Actual: 93° 72° 0.09 in Average: 86° 65° 0.15 in	 Actual: 93° 71° 0.78 in Average: 86° 65° 0.16 in	 Actual: 84° 63° 0.32 in Average: 85° 65° 0.17 in	 Actual: 77° 59° 0.00 in Average: 85° 64° 0.17 in
 Actual: 85° 53° 0.00 in Average: 85° 64° 0.17 in	 Actual: 84° 65° 0.69 in Average: 85° 64° 0.17 in	 Actual: 90° 65° 0.00 in Average: 84° 63° 0.17 in	 Actual: 90° 69° 0.06 in Average: 84° 63° 0.17 in	 Actual: 90° 68° 0.00 in Average: 84° 63° 0.17 in	 Actual: 91° 75° 0.03 in Average: 84° 63° 0.17 in	 Actual: 85° 66° 0.02 in Average: 83° 62° 0.18 in
 Actual: 87° 65° 0.35 in Average: 83° 62° 0.18 in	 Actual: 85° 59° 0.61 in Average: 83° 62° 0.18 in	 Actual: 79° 54° 0.00 in Average: 83° 61° 0.19 in	 Actual: 84° 51° 0.00 in Average: 82° 61° 0.20 in	 Actual: 87° 57° 0.00 in Average: 82° 61° 0.21 in	 Actual: 86° 60° 0.00 in Average: 82° 61° 0.20 in	 Actual: 86° 63° 0.50 in Average: 82° 60° 0.21 in
 Actual: 81° 62° 0.00 in Average: 81° 60° 0.21 in	 Actual: 83° 59° 0.00 in Average: 81° 60° 0.20 in	 Actual: 82° 55° 0.00 in Average: 81° 60° 0.21 in	 Actual: 82° 61° 0.00 in Average: 80° 59° 0.20 in	 Actual: 80° 58° 0.00 in Average: 80° 59° 0.20 in	 Actual: 82° 54° 0.00 in Average: 80° 59° 0.19 in	 Actual: 85° 55° 0.00 in Average: 80° 59° 0.20 in
 Actual: 85° 56° 0.00 in Average: 79° 58° 0.20 in	 Actual: 86° 58° 0.00 in Average: 79° 58° 0.18 in	 Actual: 86° 60° 0.00 in Average: 79° 58° 0.18 in	 Actual: 84° 61° 0.00 in Average: 78° 57° 0.18 in	 Actual: 79° 55° 0.00 in Average: 78° 57° 0.17 in	 Actual: 79° 55° 0.00 in Average: 78° 57° 0.16 in	

Calendar Legend


Weather History for KHOU - November, 2014

November Precip Stats: Actual Month Total: 3.40 in | Average Month Total: 4.34 in

Precipitation accumulation is shown as one of these two metrics -

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						 Actual: 65° 45° 0.00 in Average: 77° 57° 0.15 in
 Actual: 72° 41° 0.00 in Average: 77° 56° 0.14 in	 Actual: 80° 53° 0.00 in Average: 77° 56° 0.15 in	 Actual: 82° 62° 0.00 in Average: 76° 56° 0.16 in	 Actual: 74° 64° 1.12 in Average: 76° 55° 0.16 in	 Actual: 66° 58° 0.17 in Average: 76° 55° 0.15 in	 Actual: 65° 49° 0.00 in Average: 75° 55° 0.15 in	 Actual: 75° 50° T in Average: 75° 55° 0.15 in
 Actual: 72° 47° 0.00 in Average: 75° 54° 0.15 in	 Actual: 80° 45° 0.00 in Average: 74° 54° 0.15 in	 Actual: 71° 49° 0.01 in Average: 74° 54° 0.16 in	 Actual: 58° 43° T in Average: 74° 53° 0.15 in	 Actual: 45° 36° 0.20 in Average: 73° 53° 0.14 in	 Actual: 47° 34° 0.00 in Average: 73° 53° 0.15 in	 Actual: 53° 43° 0.30 in Average: 73° 52° 0.14 in
 Actual: 57° 42° 0.65 in Average: 72° 52° 0.14 in	 Actual: 52° 36° 0.00 in Average: 72° 52° 0.14 in	 Actual: 55° 32° 0.00 in Average: 72° 51° 0.14 in	 Actual: 69° 30° 0.00 in Average: 71° 51° 0.14 in	 Actual: 76° 46° 0.04 in Average: 71° 51° 0.13 in	 Actual: 66° 61° 0.57 in Average: 71° 50° 0.14 in	 Actual: 68° 58° 0.11 in Average: 70° 50° 0.13 in
 Actual: 80° 61° 0.23 in Average: 70° 50° 0.14 in	 Actual: 66° 45° 0.00 in Average: 70° 49° 0.13 in	 Actual: 66° 41° 0.00 in Average: 69° 49° 0.14 in	 Actual: 73° 43° 0.00 in Average: 69° 49° 0.14 in	 Actual: 67° 43° 0.00 in Average: 69° 49° 0.14 in	 Actual: 71° 39° 0.00 in Average: 68° 48° 0.14 in	 Actual: 78° 60° 0.00 in Average: 68° 48° 0.15 in

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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Actual: 80° | 61°
0.00 in
Average: 68° | 48°
0.15 in

Calendar Legend



Sunny
Clear



Mostly Cloudy



Partly Cloudy



Cloudy



Rain



Snow



Hail Flurries



Thunderstorms



Hazy
Fog



Sleet



'?' denotes
'chance of'


































Unknown

Weather History for KHOU - December, 2014

December Precip Stats: Actual Month Total: 5.60 in | Average Month Total: 3.74 in

Precipitation accumulation is shown as one of these two metrics -
































Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	 Actual: 69° 45° 0.03 in Average: 67° 47° 0.15 in	 Actual: 56° 44° 0.00 in Average: 67° 47° 0.13 in	 Actual: 66° 52° T in Average: 67° 47° 0.14 in	 Actual: 72° 53° T in Average: 67° 47° 0.13 in	 Actual: 79° 65° 0.07 in Average: 66° 46° 0.13 in	 Actual: 71° 58° T in Average: 66° 46° 0.13 in
 Actual: 59° 54° 0.00 in Average: 66° 46° 0.13 in	 Actual: 67° 46° 0.00 in Average: 66° 46° 0.13 in	 Actual: 70° 43° 0.00 in Average: 65° 45° 0.13 in	 Actual: 69° 42° 0.00 in Average: 65° 45° 0.12 in	 Actual: 72° 56° 0.02 in Average: 65° 45° 0.12 in	 Actual: 75° 57° T in Average: 65° 45° 0.13 in	 Actual: 74° 54° 0.00 in Average: 65° 45° 0.12 in
 Actual: 76° 58° T in Average: 64° 45° 0.12 in	 Actual: 80° 59° T in Average: 64° 44° 0.12 in	 Actual: 66° 48° 0.00 in Average: 64° 44° 0.12 in	 Actual: 64° 44° T in Average: 64° 44° 0.12 in	 Actual: 70° 57° 0.80 in Average: 64° 44° 0.11 in	 Actual: 59° 52° 3.06 in Average: 64° 44° 0.12 in	 Actual: 54° 50° 0.00 in Average: 63° 44° 0.12 in
 Actual: 61° 48° 0.00 in Average: 63° 44° 0.12 in	 Actual: 72° 55° T in Average: 63° 44° 0.11 in	 Actual: 60° 48° 0.69 in Average: 63° 44° 0.13 in	 Actual: 55° 37° 0.00 in Average: 63° 43° 0.11 in	 Actual: 66° 34° 0.00 in Average: 63° 43° 0.12 in	 Actual: 71° 51° 0.04 in Average: 63° 43° 0.11 in	 Actual: 74° 46° 0.22 in Average: 63° 43° 0.11 in
 Actual: 46° 41° 0.67 in Average: 63° 43° 0.11 in	 Actual: 48° 39° 0.00 in Average: 63° 43° 0.10 in	 Actual: 53° 38° 0.00 in Average: 63° 43° 0.10 in	 Actual: 46° 37° 0.00 in Average: 63° 43° 0.10 in			

Calendar Legend

Weather History for KHOU - January, 2015

January Precip Stats: Actual Month Total: 3.17 in | Average Month Total: 3.38 in

Precipitation accumulation is shown as one of these two metrics -





























Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				 Actual: 47° 41° 0.15 in Average: 63° 43° 0.10 in	 Actual: 54° 47° 0.63 in Average: 63° 43° 0.10 in	 Actual: 53° 41° 0.63 in Average: 62° 43° 0.10 in
 Actual: 56° 36° 0.00 in Average: 62° 43° 0.11 in	 Actual: 54° 31° 0.00 in Average: 62° 43° 0.11 in	 Actual: 65° 34° 0.00 in Average: 62° 43° 0.11 in	 Actual: 62° 39° 0.00 in Average: 62° 43° 0.10 in	 Actual: 42° 28° 0.01 in Average: 62° 43° 0.11 in	 Actual: 40° 37° 0.06 in Average: 63° 43° 0.10 in	 Actual: 41° 37° 0.08 in Average: 63° 43° 0.11 in
 Actual: 49° 39° 0.66 in Average: 63° 43° 0.10 in	 Actual: 49° 43° T in Average: 63° 43° 0.11 in	 Actual: 46° 43° 0.05 in Average: 63° 43° 0.10 in	 Actual: 45° 39° T in Average: 63° 43° 0.11 in	 Actual: 54° 39° T in Average: 63° 43° 0.11 in	 Actual: 61° 33° 0.00 in Average: 63° 43° 0.11 in	 Actual: 69° 37° 0.00 in Average: 63° 43° 0.11 in
 Actual: 71° 43° 0.00 in Average: 63° 43° 0.12 in	 Actual: 72° 34° 0.00 in Average: 63° 43° 0.11 in	 Actual: 76° 45° 0.00 in Average: 63° 43° 0.11 in	 Actual: 67° 57° T in Average: 63° 43° 0.11 in	 Actual: 60° 44° 0.87 in Average: 63° 43° 0.12 in	 Actual: 44° 39° 0.03 in Average: 63° 43° 0.11 in	 Actual: 62° 35° 0.00 in Average: 63° 43° 0.11 in
 Actual: 70° 40° 0.00 in Average: 63° 44° 0.11 in	 Actual: 67° 44° 0.00 in Average: 64° 44° 0.11 in	 Actual: 81° 47° 0.00 in Average: 64° 44° 0.11 in	 Actual: 79° 43° 0.00 in Average: 64° 44° 0.12 in	 Actual: 75° 49° 0.00 in Average: 64° 44° 0.11 in	 Actual: 65° 45° 0.00 in Average: 64° 44° 0.12 in	 Actual: 63° 42° T in Average: 64° 44° 0.11 in

Calendar Legend












Weather History for KHOU - February, 2015

February Precip Stats: Actual Month Total: 0.66 in | Average Month Total: 3.20 in

Precipitation accumulation is shown as one of these two metrics -

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
 Actual: 77° 48° 0.01 in Average: 64° 44° 0.12 in	 Actual: 50° 36° 0.00 in Average: 64° 44° 0.11 in	 Actual: 46° 41° 0.17 in Average: 64° 44° 0.10 in	 Actual: 61° 42° 0.16 in Average: 65° 45° 0.10 in	 Actual: 55° 41° T in Average: 65° 45° 0.10 in	 Actual: 56° 41° 0.00 in Average: 65° 45° 0.11 in	 Actual: 69° 37° 0.00 in Average: 65° 45° 0.11 in
 Actual: 77° 54° 0.00 in Average: 65° 45° 0.11 in	 Actual: 83° 54° 0.00 in Average: 65° 45° 0.11 in	 Actual: 74° 43° 0.00 in Average: 65° 46° 0.12 in	 Actual: 75° 44° 0.00 in Average: 66° 46° 0.11 in	 Actual: 66° 46° 0.00 in Average: 66° 46° 0.12 in	 Actual: 66° 39° 0.00 in Average: 66° 46° 0.11 in	 Actual: 78° 43° 0.00 in Average: 66° 46° 0.11 in
 Actual: 71° 51° 0.02 in Average: 66° 47° 0.13 in	 Actual: 68° 37° 0.15 in Average: 66° 47° 0.12 in	 Actual: 54° 34° T in Average: 67° 47° 0.12 in	 Actual: 64° 33° 0.00 in Average: 67° 47° 0.13 in	 Actual: 64° 37° 0.00 in Average: 67° 47° 0.12 in	 Actual: 69° 52° 0.01 in Average: 67° 48° 0.12 in	 Actual: 75° 65° T in Average: 67° 48° 0.12 in
 Actual: 80° 45° T in Average: 68° 48° 0.12 in	 Actual: 46° 34° 0.02 in Average: 68° 48° 0.11 in	 Actual: 43° 33° T in Average: 68° 48° 0.12 in	 Actual: 50° 33° 0.10 in Average: 68° 49° 0.10 in	 Actual: 55° 31° 0.00 in Average: 69° 49° 0.12 in	 Actual: 46° 37° 0.00 in Average: 69° 49° 0.11 in	 Actual: 57° 37° 0.02 in Average: 69° 49° 0.12 in
































Calendar Legend

-  Sunny Clear
-  Mostly Cloudy
-  Partly Cloudy
-  Cloudy
-  Rain
-  Snow
-  Hail Flurries
-  Thunderstorms
-  Hazy Fog
-  Sleet
-  '?' denotes 'chance of'
-  Unknown

Weather History for KHOU - March, 2015

March Precip Stats: Actual Month Total: 6.34 in | Average Month Total: 3.41 in

Precipitation accumulation is shown as one of these two metrics -

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
 Actual: 59° 49° 0.22 in Average: 69° 50° 0.11 in	 Actual: 60° 48° 0.01 in Average: 70° 50° 0.12 in	 Actual: 80° 56° 0.00 in Average: 70° 50° 0.11 in	 Actual: 83° 43° T in Average: 70° 50° 0.12 in	 Actual: 51° 36° 0.15 in Average: 70° 50° 0.12 in	 Actual: 57° 30° 0.00 in Average: 71° 51° 0.12 in	 Actual: 60° 35° T in Average: 71° 51° 0.12 in
 Actual: 53° 45° 1.49 in Average: 71° 51° 0.11 in	 Actual: 66° 50° 1.96 in Average: 71° 51° 0.11 in	 Actual: 60° 53° 0.00 in Average: 72° 51° 0.11 in	 Actual: 62° 53° 0.12 in Average: 72° 52° 0.11 in	 Actual: 62° 55° 0.33 in Average: 72° 52° 0.11 in	 Actual: 66° 55° 0.34 in Average: 72° 52° 0.10 in	 Actual: 77° 51° 0.00 in Average: 73° 52° 0.11 in
 Actual: 73° 55° 0.00 in Average: 73° 52° 0.11 in	 Actual: 77° 57° 0.00 in Average: 73° 53° 0.11 in	 Actual: 82° 58° 0.00 in Average: 73° 53° 0.10 in	 Actual: 82° 65° 0.11 in Average: 74° 53° 0.10 in	 Actual: 79° 66° 0.49 in Average: 74° 53° 0.09 in	 Actual: 82° 66° 0.02 in Average: 74° 53° 0.11 in	 Actual: 66° 64° 1.01 in Average: 74° 54° 0.10 in
 Actual: 76° 60° 0.00 in Average: 75° 54° 0.12 in	 Actual: 80° 55° 0.00 in Average: 75° 54° 0.11 in	 Actual: 80° 53° 0.00 in Average: 75° 54° 0.11 in	 Actual: 80° 56° 0.00 in Average: 75° 54° 0.12 in	 Actual: 69° 54° 0.09 in Average: 75° 55° 0.12 in	 Actual: 80° 44° 0.00 in Average: 76° 55° 0.11 in	 Actual: 82° 47° 0.00 in Average: 76° 55° 0.11 in
 Actual: 82° 57° 0.00 in Average: 76° 55° 0.10 in	 Actual: 83° 61° 0.00 in Average: 76° 55° 0.11 in	 Actual: 83° 64° 0.00 in Average: 77° 56° 0.10 in				































Calendar Legend

-  Sunny Clear
-  Mostly Cloudy
-  Partly Cloudy
-  Cloudy
-  Rain
-  Snow
-  Hail Flurries
-  Thunderstorms
-  Hazy Fog
-  Sleet
-  '?' denotes 'chance of'
-  Unknown

Weather History for KHOU - April, 2015

April Precip Stats: Actual Month Total: 6.10 in | Average Month Total: 3.31 in

Precipitation accumulation is shown as one of these two metrics -































Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			 Actual: 79° 69° 0.01 in Average: 77° 56° 0.10 in	 Actual: 84° 69° 0.00 in Average: 77° 56° 0.10 in	 Actual: 82° 71° T in Average: 77° 56° 0.10 in	 Actual: 73° 61° 0.00 in Average: 77° 56° 0.10 in
 Actual: 67° 57° 0.02 in Average: 78° 57° 0.10 in	 Actual: 82° 67° T in Average: 78° 57° 0.10 in	 Actual: 87° 70° 0.00 in Average: 78° 57° 0.10 in	 Actual: 84° 71° 0.00 in Average: 78° 57° 0.10 in	 Actual: 86° 70° 0.00 in Average: 78° 58° 0.10 in	 Actual: 74° 61° 1.74 in Average: 79° 58° 0.11 in	 Actual: 77° 63° 0.13 in Average: 79° 58° 0.10 in
 Actual: 80° 68° 0.14 in Average: 79° 58° 0.10 in	 Actual: 86° 71° 0.32 in Average: 79° 59° 0.10 in	 Actual: 76° 64° 0.12 in Average: 79° 59° 0.11 in	 Actual: 81° 60° T in Average: 80° 59° 0.10 in	 Actual: 82° 65° 1.66 in Average: 80° 59° 0.11 in	 Actual: 83° 64° 1.10 in Average: 80° 60° 0.11 in	 Actual: 78° 66° 0.09 in Average: 80° 60° 0.11 in
 Actual: 86° 58° 0.54 in Average: 80° 60° 0.11 in	 Actual: 74° 59° 0.00 in Average: 81° 61° 0.11 in	 Actual: 79° 56° 0.00 in Average: 81° 61° 0.12 in	 Actual: 84° 67° 0.00 in Average: 81° 61° 0.12 in	 Actual: 88° 69° 0.00 in Average: 81° 61° 0.11 in	 Actual: 85° 71° T in Average: 81° 62° 0.12 in	 Actual: 88° 67° 0.21 in Average: 82° 62° 0.13 in
 Actual: 85° 67° T in Average: 82° 62° 0.12 in	 Actual: 78° 66° 0.02 in Average: 82° 63° 0.13 in	 Actual: 71° 56° T in Average: 82° 63° 0.12 in	 Actual: 78° 52° 0.00 in Average: 82° 63° 0.13 in	 Actual: 82° 53° 0.00 in Average: 83° 64° 0.14 in		


Calendar Legend

Weather History for KHOU - May, 2015

May Precip Stats: Actual Month Total: 14.17 in | Average Month Total: 5.09 in

Precipitation accumulation is shown as one of these two metrics -

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					 Actual: 84° 57° 0.00 in Average: 83° 64° 0.15 in	 Actual: 83° 57° 0.00 in Average: 83° 64° 0.15 in
 Actual: 83° 57° 0.00 in Average: 83° 64° 0.16 in	 Actual: 84° 61° 0.00 in Average: 84° 65° 0.16 in	 Actual: 82° 63° 0.13 in Average: 84° 65° 0.17 in	 Actual: 83° 73° 0.41 in Average: 84° 65° 0.17 in	 Actual: 85° 74° T in Average: 84° 65° 0.17 in	 Actual: 85° 77° T in Average: 85° 66° 0.17 in	 Actual: 87° 76° T in Average: 85° 66° 0.17 in
 Actual: 87° 77° 0.03 in Average: 85° 66° 0.17 in	 Actual: 80° 69° 0.28 in Average: 85° 67° 0.17 in	 Actual: 79° 69° 0.56 in Average: 85° 67° 0.16 in	 Actual: 81° 68° 1.55 in Average: 86° 67° 0.16 in	 Actual: 87° 72° 0.05 in Average: 86° 67° 0.16 in	 Actual: 84° 73° 0.15 in Average: 86° 68° 0.18 in	 Actual: 89° 73° 0.00 in Average: 86° 68° 0.17 in
 Actual: 85° 71° 0.98 in Average: 87° 68° 0.17 in	 Actual: 86° 73° 0.24 in Average: 87° 68° 0.15 in	 Actual: 86° 73° 0.02 in Average: 87° 68° 0.16 in	 Actual: 89° 73° 0.31 in Average: 87° 69° 0.16 in	 Actual: 82° 71° 1.08 in Average: 88° 69° 0.15 in	 Actual: 79° 65° 0.00 in Average: 88° 69° 0.16 in	 Actual: 85° 73° 0.72 in Average: 88° 69° 0.16 in
 Actual: 81° 69° 0.56 in Average: 88° 70° 0.16 in	 Actual: 88° 66° 4.34 in Average: 88° 70° 0.16 in	 Actual: 85° 66° 0.77 in Average: 89° 70° 0.17 in	 Actual: 86° 65° 1.41 in Average: 89° 70° 0.17 in	 Actual: 90° 70° 0.00 in Average: 89° 70° 0.17 in	 Actual: 89° 70° 0.01 in Average: 89° 71° 0.17 in	 Actual: 91° 69° 0.57 in Average: 89° 71° 0.17 in

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
 Actual: 87° 69° 0.00 in Average: 90° 71° 0.17 in						

Calendar Legend



Sunny
Clear



Mostly Cloudy



Partly Cloudy



Cloudy



Rain



Snow



Hail Flurries



Thunderstorms



Hazy
Fog



Sleet



'?' denotes
'chance of'

































Unknown

Weather History for KHOU - June, 2015

June Precip Stats: Actual Month Total: 11.19 in | Average Month Total: 5.93 in

Precipitation accumulation is shown as one of these two metrics -
















Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	 Actual: 89° 66° 0.00 in Average: 90° 71° 0.18 in	 Actual: 90° 68° 0.00 in Average: 90° 71° 0.17 in	 Actual: 91° 69° 0.00 in Average: 90° 72° 0.18 in	 Actual: 90° 69° 0.00 in Average: 90° 72° 0.17 in	 Actual: 92° 72° 0.00 in Average: 90° 72° 0.18 in	 Actual: 93° 72° 0.00 in Average: 91° 72° 0.18 in
 Actual: 93° 72° 0.00 in Average: 91° 72° 0.18 in	 Actual: 93° 72° 0.00 in Average: 91° 72° 0.19 in	 Actual: 93° 74° 0.00 in Average: 91° 73° 0.19 in	 Actual: 94° 74° 0.00 in Average: 91° 73° 0.19 in	 Actual: 94° 73° 0.01 in Average: 91° 73° 0.21 in	 Actual: 92° 74° T in Average: 91° 73° 0.22 in	 Actual: 86° 74° 0.35 in Average: 91° 73° 0.21 in
 Actual: 88° 74° 0.52 in Average: 91° 73° 0.21 in	 Actual: 90° 75° 0.14 in Average: 92° 73° 0.21 in	 Actual: 80° 75° 2.26 in Average: 92° 74° 0.21 in	 Actual: 84° 76° 0.70 in Average: 92° 74° 0.21 in	 Actual: 86° 76° T in Average: 92° 74° 0.22 in	 Actual: 90° 76° 0.00 in Average: 92° 74° 0.22 in	 Actual: 90° 77° 0.20 in Average: 92° 74° 0.21 in
 Actual: 93° 78° 0.00 in Average: 92° 74° 0.21 in	 Actual: 92° 76° 0.00 in Average: 92° 74° 0.22 in	 Actual: 92° 76° 0.00 in Average: 92° 74° 0.20 in	 Actual: 93° 74° 0.00 in Average: 92° 74° 0.21 in	 Actual: 94° 75° 0.00 in Average: 92° 75° 0.20 in	 Actual: 94° 77° 0.13 in Average: 92° 75° 0.19 in	 Actual: 93° 73° 2.38 in Average: 92° 75° 0.19 in
 Actual: 90° 73° 2.24 in Average: 93° 75° 0.19 in	 Actual: 92° 76° 0.00 in Average: 93° 75° 0.19 in	 Actual: 92° 72° 2.26 in Average: 93° 75° 0.19 in				

Calendar Legend

Weather History for KHOU - July, 2015

July Precip Stats: Actual Month to Date: 0.38 in | Average Month to Date: 0.79 in | Average Month Total: 3.79 in

Precipitation accumulation is shown as one of these two metrics -

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			 Actual: 89° 71° 0.38 in Average: 93° 75° 0.16 in	 Actual: 92° 71° 0.00 in Average: 93° 75° 0.16 in	 Actual: 94° 75° T in Average: 93° 75° 0.16 in	 Actual: 92° 78° T in Average: 93° 75° 0.15 in
 Actual: 93° 77° 0.00 in Average: 93° 75° 0.16 in	 Forecast: 90° 79° 0.0 in Average: - - - in	 Forecast: 90° 78° 0.0 in Average: 93° 75° 0.15 in	 Forecast: 91° 77° 0.0 in Average: 93° 75° 0.15 in	 Forecast: 92° 76° 0.0 in Average: 93° 75° 0.14 in	 Forecast: 90° 76° 0.03 in Average: 93° 75° 0.14 in	 Forecast: 92° 75° 0.0 in Average: 93° 75° 0.13 in
 Forecast: 93° 75° 0.0 in Average: 93° 75° 0.12 in	 Forecast: 94° 74° 0.0 in Average: 94° 75° 0.13 in	 Forecast: 94° 75° 0.0 in Average: 94° 75° 0.12 in	 Forecast: 94° 76° 0.0 in Average: 94° 75° 0.12 in	Record: 104° 66° 2.04 in Average: 94° 75° 0.12 in	Record: 104° 67° 2.23 in Average: 94° 75° 0.10 in	Record: 102° 67° 2.85 in Average: 94° 75° 0.11 in
Record: 102° 68° 1.51 in Average: 94° 75° 0.11 in	Record: 102° 69° 2.08 in Average: 94° 75° 0.11 in	Record: 101° 65° 1.09 in Average: 94° 75° 0.10 in	Record: 101° 67° 2.78 in Average: 94° 75° 0.10 in	Record: 101° 64° 2.36 in Average: 94° 75° 0.11 in	Record: 101° 68° 2.09 in Average: 94° 75° 0.10 in	Record: 102° 65° 3.74 in Average: 94° 75° 0.10 in
Record: 105° 68° 2.35 in Average: 94° 75° 0.11 in	Record: 101° 66° 5.22 in Average: 95° 75° 0.10 in	Record: 103° 66° 2.52 in Average: 95° 75° 0.10 in	Record: 101° 64° 4.70 in Average: 95° 75° 0.10 in	Record: 102° 68° 2.11 in Average: 95° 75° 0.09 in	Record: 103° 67° 2.65 in Average: 95° 75° 0.09 in	

Calendar Legend

Exhibit B
(attached)

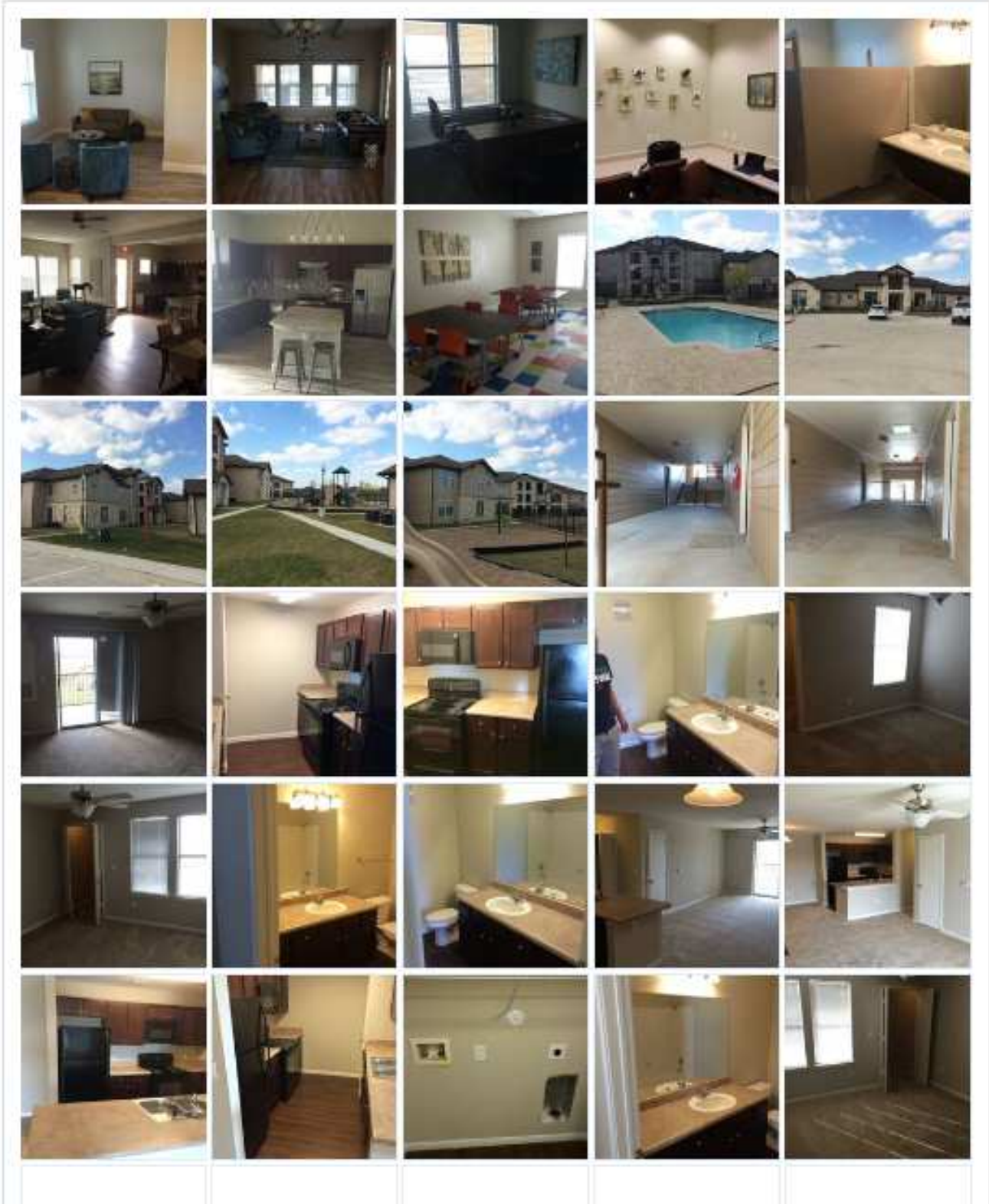


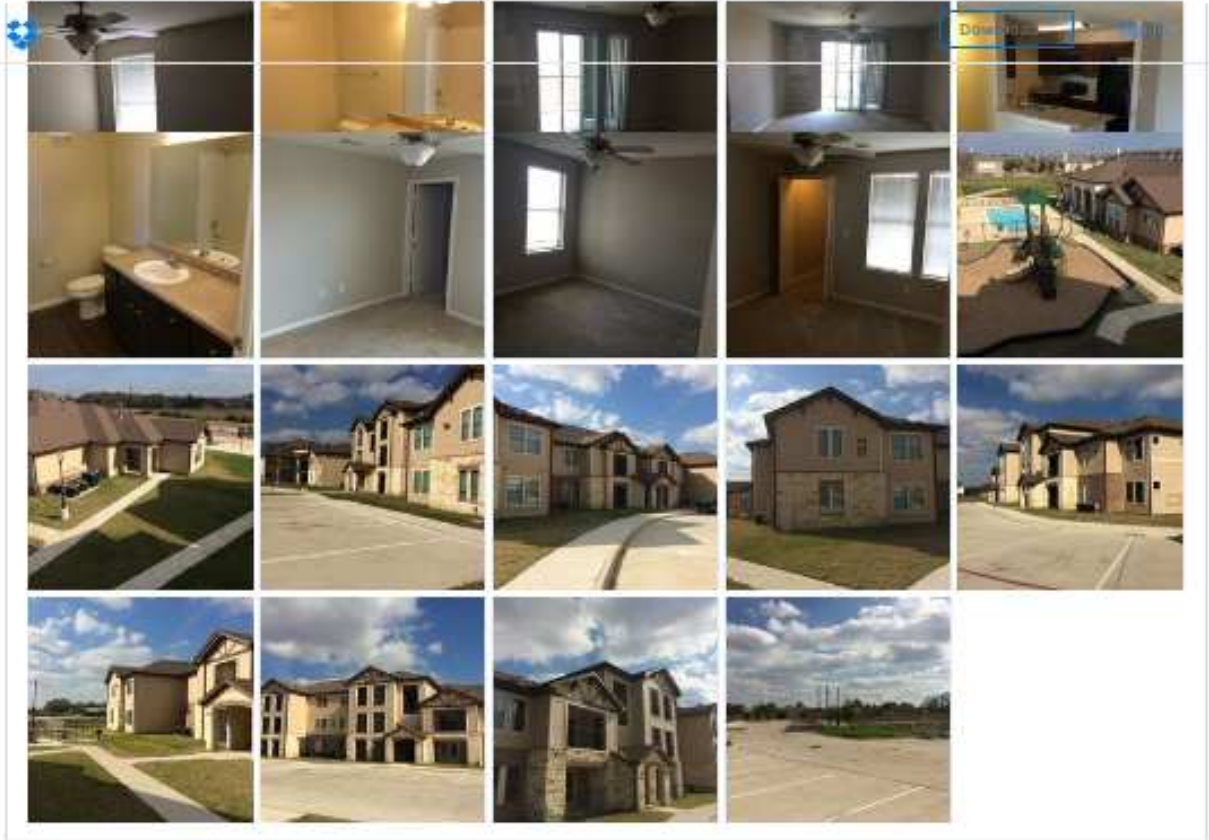
Realtex
Construction, LLC

Estates at Ellington

November 9, 2015

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1p

BOARD ACTION REQUEST
HOUSING RESOURCE CENTER
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 1, Subchapter A, General Policies and Procedures §1.23 concerning State of Texas Low Income Housing Plan and Annual Report and directing their publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, Texas Government Code §2306.0721 requires that the Department produce a state low income housing plan;

WHEREAS, Texas Government Code §2306.0722 requires that the Department produce an annual low income housing report;

WHEREAS, Texas Government Code §2306.0723 requires that the Department consider the annual low income housing report to be a rule; and

WHEREAS, 10 TAC §1.23 requires an amendment to reflect the updated State of Texas Low Income Housing Plan and Annual Report;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them are hereby authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed amendments to 10 TAC §1.23, in the form presented to this meeting to be published in the *Texas Register* for review and public comment, and in connection therewith, to make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

The Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) 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 performance during the preceding state fiscal year (September 1, 2014, through August 31, 2015).

Texas Government Code §2306.0723 requires that the Department consider the SLIHP to be a rule and in developing the SLIHP, the Department is required to follow rulemaking procedures required by Texas Government Code, Chapter 2001.

The full text of the draft 2016 SLIHP may be viewed at the Department's website: <http://www.tdhca.state.tx.us/board/meetings.htm>. The public may also receive a copy of the draft 2016 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976.

It is expected that the SLIHP will be presented to the Board for approval on Thursday, February 25, 2016. The SLIHP will then be distributed to the Governor, Lieutenant Governor, Speaker of the House, and legislative oversight committee members by the deadline of April 18, 2016.

Attachment A. Preamble and proposed amendment to 10 TAC §1.23

The Texas Department of Housing and Community Affairs (the "Department") proposes amendments to 10 TAC Chapter 1, §1.23, concerning the State of Texas Low Income Housing Plan and Annual Report ("SLIHP"). The purpose of the proposed amendment is to adopt by reference the 2016 SLIHP.

PURPOSE. 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 2015 performance. The Department is required to submit the SLIHP annually to its Board of Directors in accordance with Texas Government Code, §2306.072.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the amended section is in effect, enforcing or administering the amendment does not have any foreseeable implications related to costs or revenues of the state or local government.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the amendment is in effect, the public benefit anticipated as a result of the amendment will be improved communication with the public regarding the Department's programs and activities. There will not be any economic cost to any individuals required to comply with the amendment. The amendment will not impact local employment.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES: The Department has determined that there will be no economic effect on small or micro-businesses.

REQUEST FOR PUBLIC COMMENT: The public comment period will be held Friday, January 1, 2016, through Thursday, January 21, 2016, to receive input on the amendment. Written comments may be submitted to Texas Department of Housing and Community Affairs, Elizabeth Yevich, P.O. Box 13941, Austin, Texas 78711-3941, by email to info@tdhca.state.tx.us, or by fax to (512) 475-0070. **ALL COMMENTS MUST BE RECEIVED BY 6:00 P.M. AUSTIN LOCAL TIME ON JANUARY 21, 2016.**

The full text of the draft 2016 SLIHP may be viewed at the Department's website: www.tdhca.state.tx.us. The public may also receive a copy of the draft 2016 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976.

STATUTORY AUTHORITY: The amendment is proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules. Additionally, the amendment is proposed pursuant to §2306.0723 which specifically authorizes the Department to consider the SLIHP as a rule.

The proposed amendment affects no other code, article or statute.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

§1.23.State of Texas Low Income Housing Plan and Annual Report (SLIHP).

The Texas Department of Housing and Community Affairs (the "Department") adopts by reference the 2016 [2015] State of Texas Low Income Housing Plan and Annual Report (SLIHP). The full text of the 2016 [2015] SLIHP may be viewed at the Department's website: www.tdhca.state.tx.us. The public may also receive a copy of the 2016 [2015] SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976.

1q

BOARD ACTION REQUEST
HOUSING RESOURCE CENTER
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on the draft 2016 State of Texas Low Income Housing Plan and Annual Report to be published in the *Texas Register* for public comment

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs enabling statute, Texas Government Code §2306.0721, requires a state low income housing plan;

WHEREAS, Texas Government Code §2306.0722 requires an annual low income housing report; and

WHEREAS, the draft 2016 State of Texas Low Income Housing Plan and Annual Report must be published for public comment;

NOW, therefore, it is hereby

RESOLVED, that staff is hereby directed to cause the draft 2016 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” or the “Department”) 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 performance during the preceding state fiscal year (September 1, 2014, through August 31, 2015).

The draft 2016 SLIHP will be made available for public comment on Friday, December 18, 2015, through Thursday, January 21, 2016. Written comments may be submitted to Texas Department of Housing and Community Affairs, Elizabeth Yevich, P.O. Box 13941, Austin, Texas 78711-3941, by email to the following address: info@tdhca.state.tx.us, or by fax to (512) 475-0070. A public hearing will be held at 2:00 p.m.

Austin local time on Thursday, January 14, 2016, at Stephen F. Austin State Office Building, Room #170, 1700 N. Congress, Austin, Texas 78701.

The full text of the draft 2016 SLIHP may be viewed at the Department's website: <http://www.tdhca.state.tx.us/board/meetings.htm>. The public may also receive a copy of the draft 2016 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976.

It is expected that the 2016 SLIHP will be presented to the Board for approval at the board meeting on Thursday, February 25, 2016. The approved 2016 SLIHP will then be distributed to the Governor, Lieutenant Governor, Speaker of the House, and legislative oversight committee members by the deadline of April 18, 2016.

Summary of Major Changes from the 2015 SLIHP

- Introduction:
 - Addition to the Administrative Structure description of the Fair Housing Data Management and Reporting ("FHDMR") section and the Single Family Operations and Services ("SFOS") Division.
 - Updated references to the Neighborhood Stabilization Program ("NSP") since there will no longer be a Stimulus Programs Chapter in the SLIHP.
- Housing Analysis chapter:
 - Updated analysis figures with most recent socio-economic data available.
- Annual Report chapter:
 - Updated numbers to reflect FY 2015 program performance by households/individuals and income group for the state and each region.
 - Updated performance measure information for goals and strategies reflecting FY 2015 performance, including updated targets for FY 2016.
- Action Plan chapter:
 - Addition of NSP, SFOS, and Tax Credit Assistance Program Repayment Funds ("TCAP RF") program information.
 - Updated program descriptions to reflect programmatic changes.
- Stimulus Programs chapter deleted and NSP activities moved to other chapters within the SLIHP.
- Colonia Action Plan updated.

2016

State of Texas
Low Income Housing Plan
and Annual Report

DRAFT

Texas Department of Housing and Community Affairs



**Prepared by the Housing Resource Center
P.O. Box 13941, Austin, TX 78711
Phone: 512-475-3976 • Fax: 512-475-0070
www.tdhca.state.tx.us**

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SECTION 1: INTRODUCTION

The Texas Department of Housing and Community Affairs (“TDHCA” or the “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 homelessness prevention to homeownership.

INSTITUTIONAL STRUCTURE

In 1991, the 72nd Texas Legislature created the Department. The Department’s enabling statute Texas Government Code Chapter 2306, combined programs from the Texas Housing Agency, the Texas Department of Community Affairs and the Community Development Block Grant (“CDBG”) 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 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 82nd Legislative Regular Session. However, TDHCA, through an interagency agreement with TDA, administers 2.5 percent of the CDBG funds used for colonia Self-Help Centers (“SHCs”) 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

The mission of TDHCA is to administer its assigned programs efficiently, transparently and lawfully, and to invest its resources strategically and develop high quality affordable housing which allows Texas communities to thrive.

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 in reference to either to Area Median Family Income (“AMFI”) or the federal poverty level. A primary function of TDHCA is to act as a conduit for federal grant funds for housing and community services, including serving as a public housing authority. 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 directives are provided in Texas Government Code §2306.002:

(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 (“HUD”), U.S. Department of the Treasury, U.S. Department of Health and Human Services (“USHHS”), U.S. Department of Energy (“DOE”) 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 work either 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 five categories. It should be noted that, with the exception of the Section 8 Housing Choice Voucher Program and the 811 Program in limited areas, TDHCA administers its programs and services through a network of organization administrators, property owners, or developers across Texas and does not generally provide assistance directly to individuals.

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, and (5) Disaster Relief. The following table outlines TDHCA’s State Fiscal Year 2016 programs. The criteria for an Eligible Household may alter by rule; the criteria noted below are those in effect at the time of this draft publication.

Housing Continuum: (1) Poverty and Homelessness Prevention

Program/Activities	Description	Eligible Households
Community Services Block Grant	Funds local community action agencies to provide essential services and poverty programs	<=125% poverty
Comprehensive Energy Assistance Program	Funds local agencies to offer energy education and financial assistance for utility bills.	<=125% poverty (<=150% beginning 1/1/2016)
Emergency Solutions Grant Program	Funds entities to assist homeless persons and persons at risk of homelessness regain stability in permanent housing	<30% AMFI (Homeless)
Homeless Housing and Services Program	Funds Texas cities with a population of 285,500 or more to provide services or fund facilities for homeless individuals and families	<=30% ELI (Homeless)

Housing Continuum: (2) Rental Assistance

Program/Activities	Description	Eligible Households
Section 811 Project Rental Assistance Program	Provides project-based rental assistance for extremely low-income persons with disabilities linked with long-term services.	<30% AMI
Section 8 Housing Choice Voucher Program	Acts as a public housing authority to offer tenant-based rental assistance vouchers in certain rural areas and statewide for persons with disabilities eligible for the Project Access Program.	<50% AMI
Tenant-Based Rental Assistance (HOME Program)	Grants for local administrators to provide tenant-based rental assistance	<80% AMI
Housing Tax Credit Program	Tax credits for the creation or preservation of affordable rental housing	<60% AMI
Multifamily Bond Program	Loans to develop or preserve affordable rental housing	<60% AMI
HOME Multifamily and TCAP RF Rental Housing Development	Loans or grants to develop or preserve affordable rental housing. Funds are available to Community Housing Development Organization (CHDO) and other qualified Developers	<80 % AMI

Housing Continuum: (3) Homebuyer Education, Assistance and Single-Family Development

Program/Activities	Description	Eligible Households
Colonia Self-Help Center Program	Provides funding for rehabilitation, reconstruction, new construction, homebuyer assistance, construction and technology education, tool lending libraries and counseling for eligible colonia residents in the targeted colonias in seven border counties.	<80% AMI
Texas Statewide Homebuyer Education	Training for nonprofits to provide homebuyer education	NO AMI Limits

Program/Activities	Description	Eligible Households
Homebuyer Assistance (HOME Program)	Down payment and closing cost assistance for homebuyers of single family housing units; may include rehabilitation for accessibility modifications	<80 % AMI
Contract For Deed Conversion Program (HOME Program)	Stabilizes home ownership for colonia residents by converting contract for deeds into traditional mortgages	<60% AMI
Contract For Deed Conversion Program Assistance Grants (Housing Trust Fund)	Supports nonprofits and units of local government in assisting eligible colonia households to convert their contracts for deeds to warranty deeds	<60% AMI
My First Texas Home Program – Non-targeted funds	Low-interest loans and down payment and closing costs for first time homebuyers	<115% AMI
My First Texas Home Program – Targeted funds	Low-interest loans and down payment and closing costs for first time homebuyers in areas of chronic economic distress	<140% AMI
Mortgage Credit Certificate Program – Non-targeted funds	Annual tax credit for qualified homebuyers based on the interest paid on the homebuyer's mortgage loan	<115% AMI
Mortgage Credit Certificate Program – Targeted funds	Annual tax credit for qualified homebuyers based on the interest paid on the homebuyer's mortgage loan in areas of chronic economic distress	<140% AMI
Neighborhood Stabilization Program (Stimulus Program)*	Funds for existing NSP administrators to construct or rehabilitate, or provide homebuyer assistance, for foreclosed, vacant or abandoned properties already in the NSP program.	<120% AMI
Single Family Development (HOME Program)	Community Housing Development Organization (CHDOs) can apply for loans to acquire, rehabilitate, or construct single family housing. CHDOs can also apply for homebuyer assistance if their organization is the owner or developer of the single family housing project	<80% AMI
Texas Bootstrap Loan Program	Provides 0% loan funds to owner-builders through certified nonprofit organizations to rehabilitate or construct their homes through self-help construction	<60% AMI

Housing Continuum: (4) Rehabilitation and Weatherization

Program/Activities	Description	Eligible Households
Amy Young Barrier Removal Program (Housing Trust Fund)	Grants to administrators for up to \$20,000 per household to provide home modifications needed for accessibility for person with disabilities	<80% AMI
Homeowner Rehabilitation Assistance Program (HOME Program)	Loans and grants for entities to provide home repair and replacement assistance	<80% AMI

Program/Activities	Description	Eligible Households
Weatherization Assistance Program	Funds local agencies to provide minor home repairs to increase energy efficiency	<=125% poverty for LIHEAP WAP (<=150% poverty beginning 1/1/16), <=200% poverty for DOE WAP

Housing Continuum: (5) Disaster Relief

Program/Activities	Description	Eligible Households
Community Services Block Grant	Provide persons with emergency shelter, food, clothing and other essentials, such as appliances and hygiene items	<=125% poverty
Disaster Relief (HOME Program)	HOME funds may be used in non-participating jurisdictions to assist with home repair, rehabilitation, reconstruction, homebuyer assistance and tenant-based rental assistance for households affected by a disaster	<80% AMI

*NSP is noted as a “Stimulus Program,” created by Housing and Economic Recovery Act (“HERA”) of 2008, to establish a temporary program meant to address the current economic issues prevalent at the time of its creation. For more detailed program information, please see “TDHCA Programs” in *Section 4: Action Plan*.

ADMINISTRATIVE STRUCTURE

Agency programs are grouped into the following divisions: Community Affairs, HOME, Multifamily Finance, Section 811, Single Family Operations and Services, and Texas Homeownership. The Manufactured Housing Division is administratively attached to TDHCA, although it operates independently with its own executive director and governing board.

The Single Family Operations and Services Division administers several single-family programs and performs administrative functions for areas such as single-family and multifamily loan servicing, and single-family asset management. Additionally, the Division is responsible for the adherence, processing and completion of cross-cutting federal and departmental requirements for programs administered by the Department, including environmental clearances, labor standards requirements, minimizing resident relocation, and the commitment and disbursement of federal funds. The programs overseen within this division include the Housing Trust Fund, the Office of Colonia Initiatives and the Neighborhood Stabilization Program.

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 Asset Management Division oversees the ongoing economic viability of properties funded by the Department and works with owners and the Department’s Legal Division and Executive Management to resolve regulatory and financial issues on those properties through the approval and completion of amendments, workout scenarios, and/or foreclosure and resale solutions which sustain affordability.
- The Compliance Division ensures compliance with federal and state regulations by using various oversight measures including onsite monitoring visits and desk reviews. Key compliance monitoring requirements for housing activities include ensuring that units are

leased to income qualified households, that rents are properly restricted and that developments funded through the Department are accessible to persons with disabilities and in compliance with property condition standards.

- The External Affairs Division disseminates information to the public and is a liaison between TDHCA and industry stakeholders, advocacy groups, and the executive and legislative branches of state and federal government.
- The Fair Housing, Data Management, and Reporting group is responsible for the development and oversight of cross-cutting agency projects and initiatives and the compilation of Department reports and metric tools. Projects pertain to quantifying, assessing and reporting Department performance and/or the coordination of resources to enhance the efficiency and cost-effectiveness of Department efforts. The group heads the Department's efforts to address fair housing issues in the state, working collaboratively across TDHCA divisions to review rules, collect data, and guide the implementation of agency policies and initiatives in order to decrease impediments to access and further fair housing choice as directed in the State of Texas's Phase 2 Analysis of Impediments ("AI"). Fair Housing initiatives include creating internal and external collaborations, collating service data, developing and refining agency fair housing goals, and developing materials and trainings for use by residents, affordable housing and services providers, community groups, and units of local government. When required, staff will utilize the Assessment of Fair Housing released by HUD as required in the Final Affirmatively Furthering Fair Housing rule released in August 2015.
- The Housing Resource Center is established by the Department's governing statute. It provides educational materials and information to the public, community-based housing development organizations, nonprofit housing developers, and other state, federal, and local agencies. This assistance helps providers determine local housing needs, access appropriate housing programs, and identify available funding sources needed to increase the stock of affordable housing. The Housing Resource Center also offers assistance to the general public in locating the appropriate service providers in their community. The Center is also responsible for plans and reports that TDHCA is required to submit to receive funding from both the state and federal government. These policy documents are integral components of the strategic planning process that determines the direction of housing policy for the State of Texas.
- The Real Estate Analysis Division provides the TDHCA Board and staff with comprehensive analytical reports necessary to make well-informed financial decisions for funding of affordable multifamily housing developments.
- Other divisions that are involved in TDHCA's internal management include Bond Finance, Financial Administration, Human Resources, Information Systems, Internal Audit, and Legal.

2016 STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT

The *2016 State of Texas Low Income Housing Plan and Annual Report* ("SLIHP", the "Plan") is prepared annually in accordance with Texas Government Code §§2306.072-2306.0724, which require 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 annually 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 seven 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 2015, 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: Public Participation** - Information on the Plan preparation and a summary of public comment;
- **Section 6: Colonia Action Plan** - A biennial plan for 2016-2017, which discusses housing and community development needs in the colonias, 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 7: Texas State Affordable Housing Corporation ("TSAHC") Plan** - This section outlines TSAHC's plans and programs for 2016 and is included in accordance with Texas Government Code §2306.0721(g); and
- **Appendices:** TDHCA's enabling statute, Chapter 2306, Texas Government Code; Bibliography; and, Acronyms.

Because the Plan's legislative requirements are extensive, TDHCA has prepared a collection of publications in order to fulfill these requirements. TDHCA produces the following publications in compliance with Texas Government Code §§2306.072-2306.0724:

- **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 Texas Government Code §2306.072(c)(1);
- **Help for Texans online database:** A description of TDHCA's housing programs and other state and federal housing and housing-related programs, which fulfills Texas Government Code §§2306.0721(c)(4) and 2306.0721(c)(10); and
- **TDHCA Housing Sponsor Report:** A report that provides property and occupant profiles of developments that have received assistance from TDHCA, which fulfills Texas Government Code §§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 of the state's uniform service regions.

DATA SOURCES AND LIMITATIONS

The information provided in this section should be considered within the context of its limitations. The Department recognizes that the most accurate assessment of housing need can best be found only at the local level based on the direct experience of local households and those who work to assist low and moderate income 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. Therefore, the following issues should be considered when reviewing the information contained in this report:

Many facets of housing need, especially those tied to localized conditions, are not captured 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 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 are very limited.

Major data sources include the decennial Census, the Comprehensive Housing Affordability Strategy ("CHAS"), and the American Community Survey ("ACS").

The CHAS database is developed by the U.S. Department of Housing and Urban Development ("HUD") and classifies households into five relative income categories based on reported household income, the number of people in each 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 ("HTC") Program. Households are classified into income groups by comparing reported household income to HUD-Area Median Family Income ("HAMFI"). When analyzing CHAS data, the term area median income ("AMFI") will refer to HAMFI. The income classifications are 0-30 percent of AMFI (extremely low income), 31-50 percent of AMFI (very low income), 51-80 percent of AMFI (low income), 81-100 percent of AMFI (moderate income) and above 100 percent of AMFI. Unit affordability compares housing cost to local area AMFI. Affordable units are defined as units for which a household would not pay more than 30 percent of its income for rent and no more than two and one-half times its annual income to purchase.

A "rural area" is defined for the relevant period in Texas Government Code §2306.004(28-a) as "an area that is located:

(A) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area; or

(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.

In the 84th Texas Legislature this section was amended to enable certain areas adjacent to urban centers to self identify as rural, but as of the time of the preparation of this Plan no such self designations have occurred.

For the purposes of analysis in the SLIHP, urban and rural designations will be determined by counties' characteristics. County-level data allows the needs factors in the *Housing Analysis* chapter to be compared accurately to the *Annual Report* chapter data. The *Annual Report* chapter is based on county-level data because of the reporting requirements of the programs.

The definition of rural in §2306.004(28a) requires the examination into the location of Metropolitan Statistical Areas ("MSAs"). The U.S. Office of Management and Budget ("OMB") determines which counties are within each MSA. During the OMB's 2013 update of MSA, it became apparent that some MSA counties have no urban places as defined in Texas Government Code §2306.004(36) (i.e. the MSA county had no places over 25,000, nor any places touching a boundary of a place with 25,000). Therefore, the following analysis will refer to "MSA counties with urban places" and "Non-MSA counties and counties with only rural places." The data for "MSA counties with urban places" will be counted as "urban" and the data for "Non-MSA counties and counties with only rural places" will be counted as "rural."

The needs assessment data is augmented with local information, when available.

Organization of this chapter is as follows:

State of Texas Demographic Trends

- Comparison of demographic data over time.

Special Needs Analysis

- Description of the housing needs for people with special needs and statewide estimates of the number of persons with special needs.

Poverty, Income and Affordable Housing

- Economic demographics and its relationship to the cost of housing.

For-Market and Subsidized Housing Availability

- Type and size of market-rate and subsidized units available.

Local Assessment of Need

- Analysis of request for assistance from TDHCA.

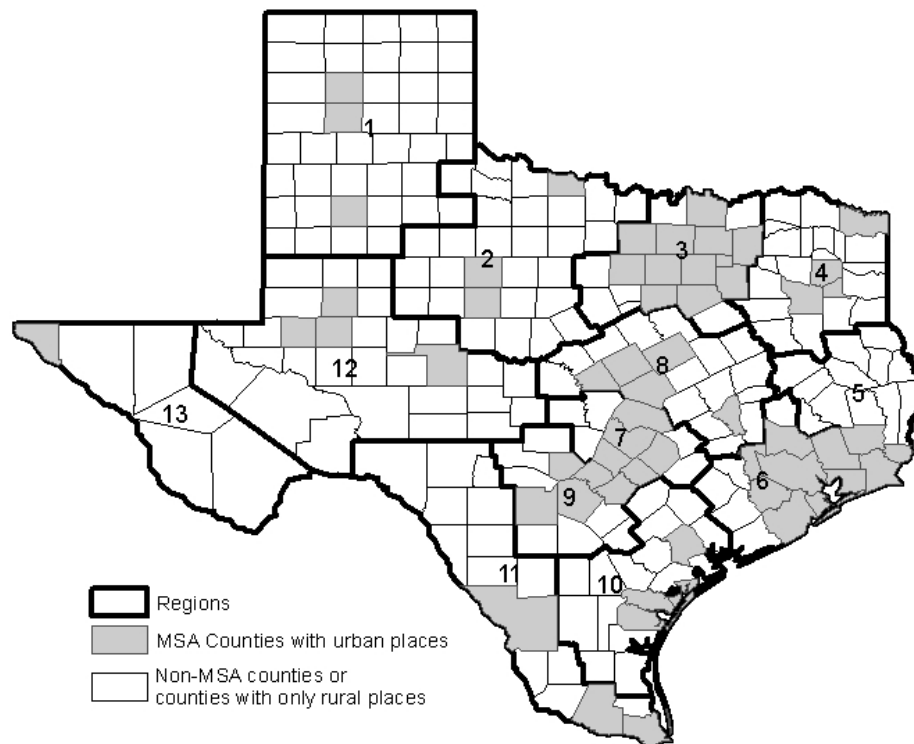
Regional Analysis

- Statewide data divided by region.

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, as depicted on below.

TDHCA Regions



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 census data from 2009-2013, it is possible to analyze population trends compared to the nation as a whole and its implication for housing need.

- Texas has approximately 25,639,373 people, which is about 8.2 percent of the US population.
- Texas mirrors the US closely in terms of percentages of races in the population. Texas has 74.4% of its population as White Alone, while the US has 74.0 percent, a difference of only 0.4%. The percentage differences in population between Texas and the US vary less than 0.9% for Black or African American Alone, American Indian or Alaskan Native Alone, Asian Alone, Native Hawaiian and Other Pacific Island Alone, and Two or More Races. For Some Other Race Alone, Texas' population is 6.9 percent and the US' population is 4.7 percent. This 2.2 percent difference could be the result of Hispanic population including their ethnicity with their race (U.S. Census Bureau, Population Estimates Program, n.d.).
- The percentage of Hispanics is 21.3 percent higher in Texas as compared to the US population. Texas has 37.9 percent of its population who identify as Hispanic, while the US has 16.6 percent.

- Texas has a greater percentage of children under 18 than the US as a whole. Texas has 27.0 percent of its population as persons under 18 years old, compared to 23.7 percent for the nation. The median age of the Texas population is 33.8 years, while the median age of the national population is 37.3 years.

Expected housing demand is influenced by the demographic makeup of Texas. There are currently differences among race and ethnicities in terms of income level. According to 2009-2013 ACS, the number of people in poverty varied dramatically by race and ethnicity. In Texas, White (non-Hispanic) had a poverty rate of 17.6 percent; Blacks or African Americans had a poverty rate of 24.2 percent; the Hispanic population had a poverty rate of 26.3 percent; and Asians had a poverty rate of 12.0 percent. Lower incomes often lead to greater housing challenges.

Older Texans face unique housing challenges that will become more prevalent as the population ages. The incidences of disability increase with age. According to 2009-2013 ACS, 9.9 percent of persons between 18-64 years old have a disability, while 40.2 percent of persons 65 and older have a disability. In addition, older households tend to live in older homes: according to 2009-2013 ACS, 38.0 percent of households aged 65 years and older lived in housing stock built before 1970. These factors may increase the need for housing modifications for accessibility and home repair.

Urban and Rural Population, Texas

State	Rural	Urban	Total
Total	3,396,999	22,243,374	25,639,373

Source: MSA defined by OMB, 2013. Population from 2009-2013 American Community Survey, Table B01003.

STATEWIDE SPECIAL NEEDS

Texas Government Code §2306.0721 requires the Department to include in the Plan the housing needs of individuals with special needs. The Department identifies special needs as colonia residents, elderly persons, homeless persons, farmworkers, persons with alcohol and drug abuse, persons with disabilities, persons with HIV/AIDS and their families, persons with Violence Against Woman Act (“VAWA”) Protections, public housing residents, veterans and wounded warriors, and youth aging out of foster care.

Throughout the Housing Analysis chapter, whenever possible, the special needs populations in each region are broken down by the proportion of the population residing in urban areas, defined in this document as MSA counties and the population residing in rural areas, defined as non-MSA counties.

COLONIA RESIDENTS

According to Texas Government Code §2306.581:

“Colonia” means a geographic area located in a county 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 OMB 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.

Many colonias are located along the border region, usually beyond the city limits. The classic hallmarks of colonias include limited infrastructure and a high level of substandard housing, including self-built homes, structures not primarily intended for residential use, and homes with extensions and modifications, often added on a self help basis, which may not be secure or safe. Since 1995, colonias are required to have infrastructure per the State’s model subdivision rules. These post-1995 colonias are often larger subdivisions, although they share some of the worst housing characteristics in common with the colonias expansion of the 1980s (Ward, Way and Wood, 2012).

Based on a 2014 assessment by the Texas Office of the Secretary of State’s Colonia Initiatives Program, an estimated 500,000 people live in 2,294 colonias in Texas. Six Texas counties (El Paso, Maverick, Webb, Starr, Hidalgo and Cameron) have the largest population of colonias and are home to an estimated 369,500 people. Population numbers in this assessment were validated in several ways: by 2010 census data, by city and county figures, and (in some cases) by colonia ombudspersons conducting site visits.

Colonia Resident Population Estimates, Texas

Region	County	Number of Colonias	Estimated Colonia Population
11	Cameron	196	56,005
11	Hidalgo	937	150,235
11	Maverick	74	23,295
11	Starr	256	34,143
11	Webb	62	15,222
13	El Paso	329	90,582
	Total	1,854	369,482

Source: Texas Office of the Secretary of State, Update to the 84th Regular Legislative Session.

ELDERLY PERSONS

HUD defines an “Elderly Person Household” as a household composed of one or more persons at least one of whom is 62 years of age or more at the time of initial occupancy and defines “frail elderly” as an elderly person who is unable to perform at least three “activities of daily living, comprising of eating, bathing, grooming, dressing or home management activities” (U.S. Department of Housing and Urban Development, n.d). According to a recently-released, long-term study of elderly persons in their last 24 months of life, the prevalence of disability increased from 28% two years before death to 56% in the last month of life. Those who died at the oldest ages were much more likely to have a disability 2 years before death (ages 50-69 years, 14%; 70-79 years, 21%; 80-89 years, 32%; 90 years or more, 50%). Disability was more common in women 2 years before death (32%) than men (21%), even after adjustment for older age at death. (Smith et al., 2013). The growing rate of disabilities leads to the need for barrier removal, such as ramps for wheelchairs. According to the chart below, of Texans aged 65 and older, approximately 86.8 percent live in urban areas. Texans aged 65 and older who live in rural areas may face difficulty accessing health and other services because they live at greater distances from health facilities, community centers, and other amenities. Additionally, the programs that serve them may not benefit from a concentration of an elderly population and the efficiencies that can be realized from serving older adults in a centralized location (Viveiros, 2014).

Elderly Persons (aged 65 years old and over), Texas

State	Rural Elderly Persons	Urban Elderly Persons	Total Elderly Persons	Total Population	Percent Elderly of Statewide Population
Total	555,586	2,180,760	2,736,346	25,639,373	10.7%

Source: 2009-2013 American Community Survey, Table DP05.

HOMELESS PERSONS

HUD definition of “homeless,” is persons sleeping in emergency shelters, in transitional housing, on the streets, in campsites, under bridges, in abandoned lots and in other places not intended for human habitation. According to the most recent HUD Annual Assessment Report to Congress, most homeless Americans (69 percent) were homeless as individuals and 31 percent were homeless as persons in families. Homelessness declined by nearly 2 percent (or 13,344 people) between 2013 and 2014 and by 11 percent (or 72,718) since 2007. The number of homeless individuals in the United States has declined by nearly 2 percent (or 7,408) between 2013 and 2014, and by 13 percent (or 53,434) between 2007 and 2014. Homelessness among persons in families declined nationally by 3 percent (or 5,936) between 2013 and 2014, and by 8 percent (or 19,284) between 2007 and 2014.

Texas is one of four states that accounted for nearly one half of the nation’s chronically homeless population in 2014, with 6 percent of the national total in Texas. Between 2007 and 2014, Texas saw one of the largest decreases (38 percent) in the number of chronically homeless individuals compared to other states. On a single night in 2014, there were 49,933 homeless veterans in the United States; just fewer than 10 percent of those veterans (4,722) were women. Between 2013 and 2014, homelessness among veterans declined by 11 percent (or 5,846). Homelessness among veterans declined by 33 percent (or 24,117) between 2009 and 2014. (Annual Assessment Report to Congress, 2014). Based on Point in Time counts generated by the Texas Homeless Network, in 2015 approximately 23,678 persons considered homeless were physically counted.

While overall homelessness, chronic homelessness, and homelessness among veterans has declined over the last year, the number of homeless children has increased both nationwide and in Texas. Based on a calculation using the most recent U.S. Department of Education’s count of homeless

children in U.S. public schools and on 2013 U.S. Census data, the National Center on Family Homelessness (2014) reported that 2,483,539 children (or 1 in every 30 children) experienced homelessness in the U.S. in 2013; the same report found that, in Texas, 190,018 children experienced homelessness in 2013. It is important to note that the U.S. Department of Education’s count of homeless children in U.S. public schools takes place throughout the school year and captures a larger sample of children who may experience homelessness. In contrast, the Continuum of Care Point in Time Counts referenced in the table below count the homeless population each January on a given night.

Because the American Community Survey is address-based, it is not suitable for homeless statistics. Therefore, a uniform dataset for the regions is not available. The table below is a count compiled by HUD of sheltered and unsheltered homeless persons by subpopulation in Texas.

Homeless Populations, Texas

Homeless Subpopulations	Sheltered	Unsheltered	Total
Chronically Homeless	1,915	2,389	4,304
Severely Mentally Ill	2,334	2,091	4,425
Chronic Substance Abuse	1,837	1,886	3,723
Veterans	1,490	903	2,393
Persons with HIV/AIDS	137	143	280
Victims of Domestic Violence	2,781	855	3,636

Source: Continuum of Care Point in Time Counts, 2015.

FARMWORKERS

As one of the top five agricultural producing states, Texas leads the nation in the number of farms and ranches, with 248,800 farms and ranches covering over 130.2 million acres (Texas Department of Agriculture, 2015). According to the Texas Workforce Commission, demand for agriculture workers grew by 0.8 percent between 2009 and 2013. Although the agriculture industry in Texas had been using fewer workers in recent decades as farming methods have become more efficient, a rebounding economy in Texas and globally has driven up demand for what Texas grows, which is increasing demand for workers (Texas Workforce Commission, 2013). A 2012 study found that in rural areas, stakeholders report that persons earning 30% or less than AMFI have the most difficulty accessing safe, affordable and decent housing. This group includes farmworkers (Bowen National Research, September 2012).

Migrant Seasonal Farmworker Population Estimates, Texas

State	Total
Total	289,600

Source: Texas Workforce Commission, 2012 (most recent data available).

PERSONS WITH ALCOHOL AND SUBSTANCE USE DISORDERS

Alcohol or substance use disorders can lead to homelessness or can be a result of homelessness. Statewide, of the 23,678 people who were homeless on a single night in January 2015, 18.7 percent had a serious mental illness, and 15.7 percent had a chronic substance use problem (Continuum of Care Point in Time Counts, 2015). Furthermore, it is estimated that nearly half of all individuals experiencing homelessness and 70 percent of veterans experiencing homelessness, suffer from substance use disorders. A majority of those with substance use disorders also suffer from moderate

to severe mental illness (United States Interagency Council on Homelessness, 2014). There are 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 use disorders. Without secure housing, persons with alcohol or substance use disorders can cycle through more costly options such as emergency room care, the criminal justice system and other service providers (U.S. Department of Housing and Urban Development, 2011a). Supportive housing programs needed for persons with alcohol and/or other substance use 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.

PERSONS WITH DISABILITIES (MENTAL, PHYSICAL, AND DEVELOPMENTAL)

A significant number of persons with disabilities face extreme housing needs. The 2009-2013 American Community Survey data shows that 17.7% of individuals that live below the poverty level in Texas have a disability, while 8.8% of individuals that live at or above the poverty level have a disability. 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 (Hartman et al., 2010).

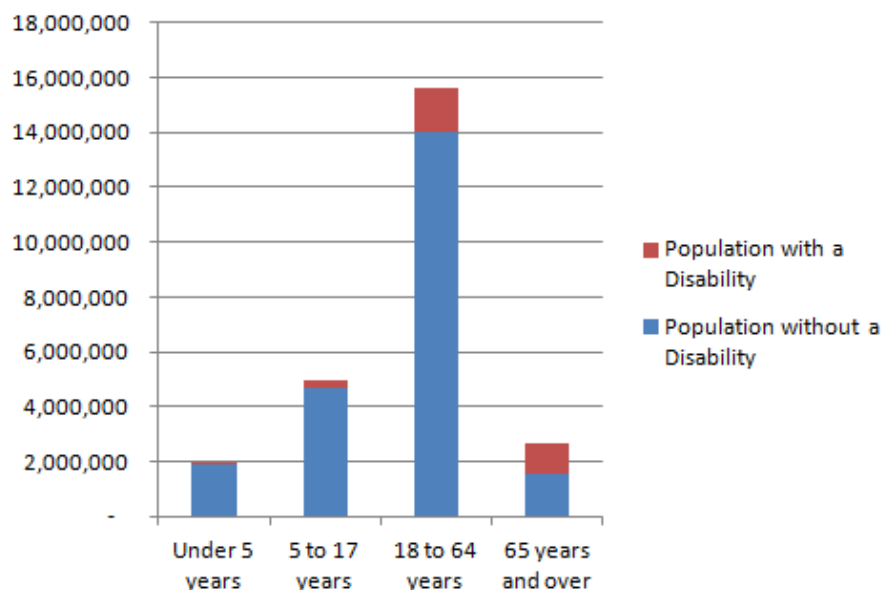
According to the chart below, of those Texans with disabilities, approximately 81.3 percent live in urban areas. Persons with disabilities are more likely to be living in urban areas due to the ability to access transportation and the close proximity to health related and other services and supports (Cruz, 2010).

Persons with Disabilities, Texas

State	Rural	Urban	Total*
Total	542,268	2,359,788	2,902,056

Source: 2009-2013 American Community Survey, Table DP02.
*Total Non-institutionalized Population.

Persons with Disabilities as a part of Total Population by Age, Texas



Persons with Disabilities as a percentage of Total Population, Texas

Age	Population with a Disability	Total Population	Persons with a disability as a percentage of total population
Under 5 years	16,475	1,934,894	0.85%
5 to 17 years	268,889	4,978,951	5.40%
18 to 64 years	1,550,620	15,591,975	9.94%
65 years and over	1,066,072	2,652,550	40.19%
Total	2,902,056	25,158,370	11.54%

Source: 2009-2013 American Community Survey, Table B18101.

PERSONS LIVING WITH HIV/AIDS AND THEIR FAMILIES

Although the number of Texans living with HIV rises each year, Texas has seen a steep decline in the number of deaths among persons with HIV. As reported by the Texas Department of State Health Services, there were 72,932 Texans living with a diagnosed HIV infection at the end of 2012 and 75,973 Texans living with a diagnosed HIV infection at the end of 2013 (Texas Department of State Health Services, 2014). The *2014-2015 Texas HIV Plan* (revised in December 2013) reports that more than one half of persons with HIV live in the Dallas and Houston areas. About 7 percent each live in Fort Worth, Austin, San Antonio, the US-Mexico border, the East Texas area, or are incarcerated in facilities in the Texas Department of Criminal Justice.

Through the Ryan White Housing Opportunities for Persons with AIDS (HOPWA) Program, housing options are made more affordable for low-income households so they can maintain housing, adhere to medical treatment, and work towards a healthier outcome. The Texas HOPWA program addresses long-term goals with the clients to help them establish a financial plan that can assist them in maintaining their housing.

Persons with HIV/AIDS, Texas

State	Persons with HIV/AIDS - Rural	Persons with HIV/AIDS - Urban	Total Persons with HIV/AIDS*	2009-2013 Total Population	Percent of Persons with HIV/AIDS to Statewide Population
Total	3,989	72,562	76,551	25,639,373	0.3%

*The 3,522 people counted through the Texas Department of Criminal Justice System are not attributed to a geographic area.

Source: Texas Department of State Health Services, 2014 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.

PERSONS WITH VIOLENCE AGAINST WOMAN ACT (“VAWA”) PROTECTIONS

The Texas Department of Public Safety reports that the total number of Texas family violence incidents in 2014 was 185,817. This represented a 0.2 percent increase when compared to 2013. These incidents involved 201,051 victims (up 0.7 percent from 2013) and 195,511 offenders (up 0.4 percent from 2013). The Texas Council on Family Violence reports that many programs in Texas stretch to provide services to a vast geographic area to reach as many survivors of family violence as possible. Although 66% of Texas counties have some form of physical access point for services, only 27% of these counties have a family violence shelter. The remaining 39% of counties have a physical

presence via an outreach office, nonresidential center, or office in a partner location, which can be open regularly or on varying days of the week. Twenty-six percent (67 counties) offer access points via meeting a survivor at an agreed location, but a survivor must call for services first. Seven percent of counties (19) have no access point within the county (2013).

The table below shows total victims of domestic violence in Texas, but it must be noted that victims could be double counted based on the number of domestic violence incidents reported during the year from the same victim. However, the numbers below will not reflect the severity of the problem. It is estimated that only one quarter of physical assaults, one fifth of rapes and one half of stalking incidents are reported to the police (National Coalition Against Domestic Violence, n.d.)

Domestic Violence Victims, Texas

Area	Total Incidents in 2014	Total Population, 2009-2013	Percent of Incidents to Population
Rural	19,921	3,396,999	0.6%
Urban	165,730	22,243,374	0.8%
Texas	185,651	25,639,373	0.7%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety; 2009-2013 ACS.

PUBLIC HOUSING RESIDENTS

Public housing authorities administer a variety of programs for low-income families, aging Texans and persons with disabilities. These programs range from public housing construction and rehabilitation to Section 8 Housing Choice Voucher (HCV) administration. Section 8 HCV allows very low-income families to choose and lease or purchase safe, decent and affordable privately-owned rental housing (HUD, n.d. 2). Public housing residents often have low educational attainment, poor mental and physical health and limited access to social networks that facilitate job access and physical isolation from opportunity (Urban Institute, 2013). The number of public housing authority units, excluding housing choice vouchers, can be found below.

Public Housing Authority Units, Texas

State	Rural	Urban	Total Units
Total	15,473	41,195	56,668

Source: U.S. Department of Housing and Urban Development, 2015.

VETERANS AND WOUNDED WARRIORS

According to the Texas Veterans Commission, the two key factors which continue to increase the demand for veterans' services in Texas are force reductions, which produce a surge of service members departing the military, and a large aging population of veterans, specifically from the WWII, Korea, and Vietnam eras. As these generations of veterans age and their health deteriorates, their need for services grows (2014).

Veterans face a host of challenges when transitioning back to civilian life. Nationwide, about 1.4 million veterans live in poverty. Veterans are often overrepresented in the homeless population. In

Texas, although about 8.5 percent of the Texas population consists of veterans, 10.1 percent of the homeless population consists of veterans (HUD, 2015). Their housing issues can be compounded by service-connected disabilities, such as traumatic brain injury, substance use and mental disorders (National Housing Conference and Center for Housing Policy, 2013).

Veterans, Texas

State	Rural Veterans	Urban Veterans	Total Veterans	2009-2013 Population over 18 years	Percent Veterans of Population Over 18 Years
Total	256,325	1,326,947	1,583,272	18,612,749	8.5%

Source: 2009-2013 American Community Survey, Table S2101.

YOUTH AGING OUT OF FOSTER CARE

Studies have found that youth aging out of foster care are less likely than their peers who have not been in foster care to graduate high school or a post-secondary school or be employed at a job that can support their basic necessities. Youth aging out of foster care are more likely to experience violence, homelessness, mental illness, incarceration, substance use disorder and early parenthood out of wedlock (Casey Family Programs, 2013).

These factors combine to make homelessness a real possibility for many youth that age out of foster care. 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. The Department of Family and Protective Services (“DFPS”) has a program that may allow youth to stay in foster care until the age of 21 while they pursue an education or a job. DFPS provides various services to help these youth learn to live successfully on their own. Further, Texas provides healthcare to children in foster care and to youth who age out of care up to the month of their 26th birthday.

Youth Aging Out of Foster Care, Texas

State	Rural	Urban	Total
Total	233	1,013	1,246

Source: Emancipated Foster Youth, SFY2014
 Department of Family and Protective Services Annual Report.

STATEWIDE POVERTY AND INCOME

A majority of the Department's programs that use the poverty line as an income eligibility threshold to receive services use 125% of poverty instead of 100% of poverty consistent with federal program design. The 2015 poverty income guideline for a family of 4 is \$24,250. In 2015, a family of 4 at 125% poverty would make approximately \$30,312 per year.

According to the 2009-2012 American Community Survey, 5,812,512 individuals in Texas live below 125% of the poverty line. The total number of individuals below 125% of poverty is one of the need indicators for some of the Department's programs. Urban areas have higher numbers of people below 125% of poverty, but a lower rate than rural areas.

Individuals Below 125% of Poverty, Texas

Individuals	Rural	Urban	Texas
Individuals below 125% of poverty	814,358	4,998,154	5,812,512
% Individuals below 125% of poverty	23.8%	22.2%	22.4%
Total	3,216,054	21,816,477	25,032,531

Source: 2009-2013 American Community Survey, Table S1701.

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-Area Median Family Incomes (HAMFI). When analyzing CHAS data, the term area median family income (AMFI) is generally interchangeable with HAMFI. The income level definitions are as follows:

- Extremely Low Income: At or below 30 percent of AMFI
- Very Low Income: Between 31 percent and 50 percent of AMFI
- Low Income: between 51 percent and 80 percent of AMFI
- Moderate Income: Between 81 percent and 100 percent of AMFI
- Above 100+ percent of AMFI

Households by Income Group, Texas

Area	Statewide households at 0 to 30% AMFI	Statewide households at >30 to 50% AMFI	Statewide Households at >50 to 80% AMFI	Statewide Households at >80 to 100% AMFI	Statewide Households at >100% + AMFI
Urban	955,894	895,880	1,249,470	719,880	3,762,550
Rural	150,144	158,700	210,257	117,982	561,809
Total	1,106,144	1,054,580	1,459,727	837,862	4,324,359

Source: 2008-2012 CHAS, Table 8.

A total of 41.2 percent of all households are in the low-income range (0 to 80 percent of AMFI). 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 a housing unit and whether or not the unit is overcrowded. The following table reveals the number and percent of households with at least one housing need by income category and household type.

Households with One or More Housing Problems, Texas

Income Categories	Renter At least one problem	Renter Total Households	Renter Percent with at least once problem	Owner At least one problem	Owner Total Households	Owner Percent with at least one problem	Total Households
0 to 30% AMFI	568,795	717,720	79.3%	289,960	56,755	74.7%	1,105,990
>30 to 50% AMFI	462,530	558,935	82.8%	294,300	201,355	59.4%	1,054,590
>50 to 80% AMFI	347,590	666,585	52.1%	360,245	432,935	45.4%	1,459,765
>80 to 100% AMFI	77,705	321,130	24.2%	168,055	348,690	32.5%	837,875
>100% + AMFI	78,470	909,220	8.6%	351,255	3,063,900	10.3%	4,324,375
Total	1,535,095	3,173,590	48.4%	1,463,815	4,103,640	26.1%	8,782,600

Source: 2008-2012 CHAS, Table 1.

Of renter households, those at 31-50% AMFI are the most likely to have at least one housing problem. Of owner households, those at 0-30% AMFI are the most likely to have at least one housing problem. Overall, renters are more likely than owners 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, 31.9 percent are occupied by extremely low-income renter households and 22.9 percent are occupied by extremely low-income owner households.

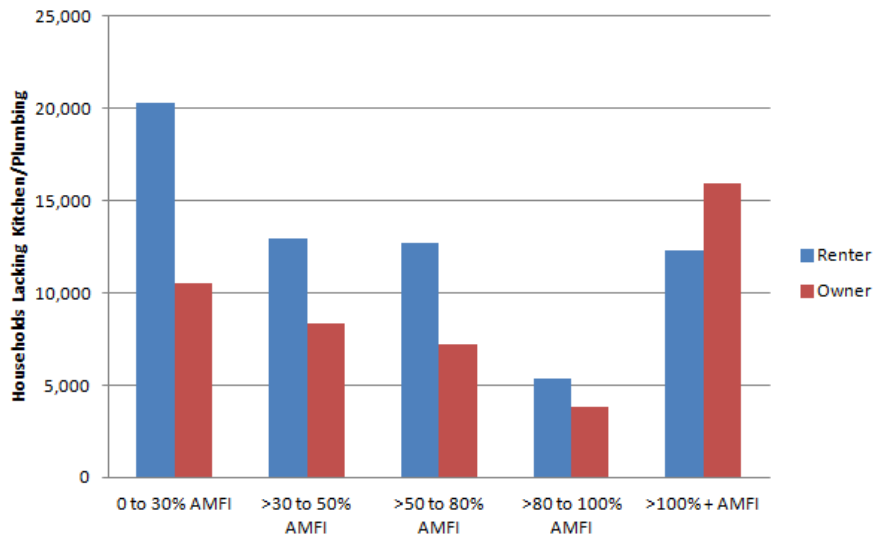
Number of Units Lacking Kitchen and/or Plumbing by Income Category, Texas

Income Categories	Renter Households lacking kitchen or plumbing	Total Renter Households	% of renters lacking kitchen/plumbing in income category	Owner Households Lacking Kitchen or Plumbing	Total Owner Households	% of owner lacking kitchen/plumbing in income category
0 to 30% AMFI	20,310	717,720	2.8%	10,492	388,270	2.7%
>30 to 50% AMFI	12,943	558,935	2.3%	8,364	495,655	1.7%
>50 to 80% AMFI	12,673	666,585	1.9%	7,253	793,180	0.9%
>80 to 100% AMFI	5,373	321,130	1.7%	3,796	516,745	0.7%
>100% + AMFI	12,294	909,220	1.4%	15,918	3,415,155	0.5%
Total	63,593	3,173,590	2.0%	45,823	5,609,005	0.8%

Source: 2008-2012 CHAS, Table 3.

The state defines “standard condition” of housing as properties that meet the Texas Minimum Construction 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 bar chart below shows that a greater number of renters in the 0-100% income categories lack kitchen or plumbing compared to owners, while a greater number of owners over 100% lack kitchen or plumbing compared to renters.

Number of Renters/Owners Lacking Kitchen or Plumbing, Texas



Source: 2008-2012 CHAS, Table 3.

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 table shows, renter households in the lowest two income categories, totaling 863,856 households, compose the largest number of households in any income categories that are burdened by paying more than 30% of income toward housing. This is much greater than in the highest income category, above 100 percent AMFI, where 34,237 households experience the problem.

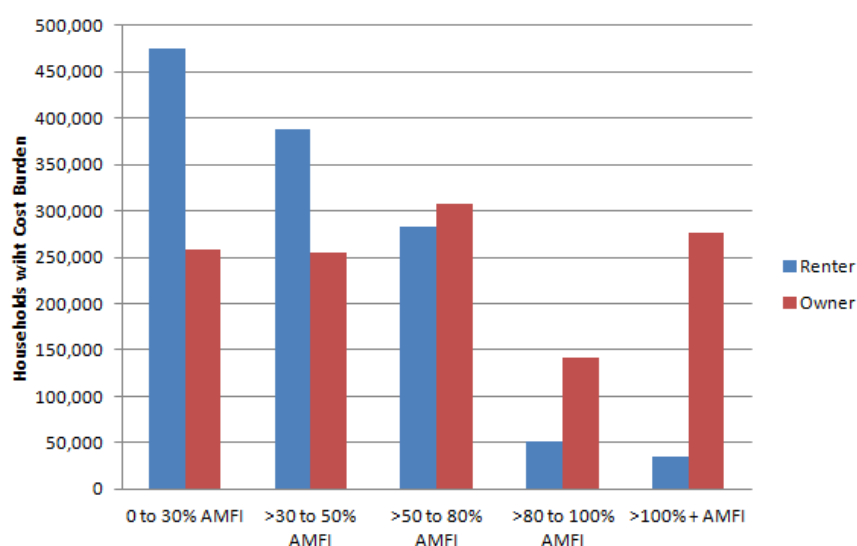
Number of Households with Housing Cost Burden by Income Category, Texas

Income Categories	Renters with Cost Burden	Total Renter House-holds	% of Renter Households with Cost Burden	Owners with Cost Burden	Total Owner Households	% of Owners with cost burden
0 to 30% AMFI	475,815	717,720	66.30%	257,532	388,270	66.33%
>30 to 50% AMFI	388,041	558,935	69.43%	255,108	495,655	51.47%
>50 to 80% AMFI	282,310	666,585	42.35%	307,567	793,180	38.78%
>80 to 100% AMFI	51,814	321,130	16.13%	141,341	516,745	27.35%
>100% + AMFI	34,237	909,220	3.77%	276,997	3,415,155	8.11%
Total	1,232,217	3,173,590	38.83%	1,238,545	5,609,005	22.08%

Source: 2008-2012 CHAS, Table 3.

The bar chart below shows that there are more renters with cost burden in the lower-income categories, but more owners with cost burden in the middle-to-high income categories. This could possibly be because more households in the higher income categories are able to enter the housing market and become owners, creating a larger number of owners in the higher income brackets and a greater exposure to cost burden problems.

Renters/Owners with Housing Cost Burden, Texas



Source: 2008-2012 CHAS, Table 3.

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.

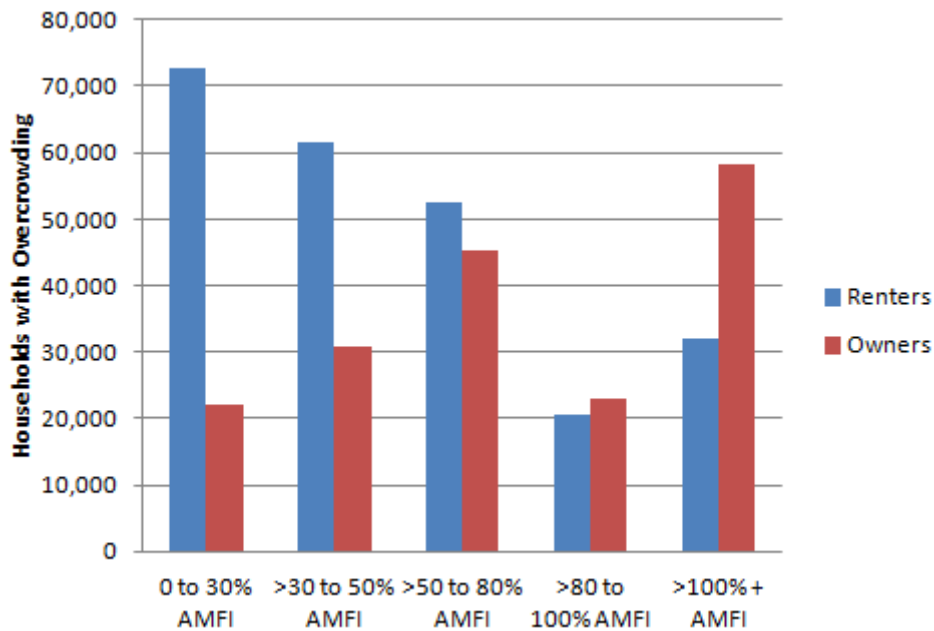
Lower-income renter households experience overcrowded conditions more frequently than higher-income renter households. Lower-income owners experience a higher percentage of overcrowding than higher-income owners. The chart shows the percentage of households experiencing overcrowding in each income category.

Number of Households Experiencing Overcrowding by Income Group, Texas

Income Categories	Over-crowded Renters	Total Renter House-holds	% of Renters with Overcrowding	Over-crowded Owners	Total Owner House-holds	% of Owners with Overcrowding
0 to 30% AMFI	72,706	717,720	10.13%	21,942	388,270	5.65%
>30 to 50% AMFI	61,554	558,935	11.01%	30,784	495,655	6.21%
>50 to 80% AMFI	52,598	666,585	7.89%	45,378	793,180	5.72%
>80 to 100% AMFI	20,487	321,130	6.38%	22,939	516,745	4.44%
>100% + AMFI	31,911	909,220	3.51%	58,307	3,415,155	1.71%
Total	239,256	3,173,590	7.54%	179,350	5,609,005	3.20%

Source: 2008-2012 CHAS, Table 3.

Renters/Owners with Overcrowding, Texas



Source: 2008-2012 CHAS, Table 3.

STATEWIDE HOUSING AVAILABILITY AND AFFORDABILITY

HOUSING SUPPLY

Approximately 2 percent of occupied units in Texas were single-family homes. Approximately 24.9 percent of housing units were within multifamily structures: 2.0 percent were in developments of 2 units; 3.3 percent were in developments with 3 or 4 units; 11.5 percent were within 5 to 19 units; and 8.1 percent were in developments of over 20 units. The remaining 7.9 percent of units were manufactured homes and other units such as boats.

Physical Housing Characteristics for Occupied Units, Texas

Housing Characteristics	Rural Units	Urban Units	Total Units	Percent of Total
1, detached	1,092,302	5,499,069	6,591,371	67.2%
2 apartments	30,706	167,657	198,363	2.0%
3 or 4 apartments	33,190	287,916	321,106	3.3%
5 to 19 apartments	41,065	1,086,264	1,127,329	11.5%
20+ apartments	22,867	769,281	792,148	8.1%
Mobile home	273,993	481,011	755,004	7.7%
Other type of housing	3,965	12,601	16,566	0.2%
Total	1,498,088	8,303,799	9,801,887	100.0%

Source: 2009-2013 American Community Survey, Table DP04.

*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 lower levels of occupancy than urban areas. The statewide occupancy rate was 88.2 percent.

Housing Occupancy, Texas

State	Occupied Housing Units	Vacant Housing Units	Percent of Occupied Units
Rural	1,197,641	317,933	79.0%
Urban	7,688,830	866,299	89.9%
Total	8,886,471	1,184,232	88.2%

Source: 2009-2013 American Community Survey, Table DP04.

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, 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 incidentally 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 public housing authority data was obtained from HUD's Housing Authority website: <http://www.huduser.org/portal/datasets/picture/yearlydata.html#download-tab>. 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.

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 2013 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 2014

Multifamily Units	State	Percent of State Inventory
THDCA Units	236,717	43.5%
HUD Units	64,868	11.9%
Public Housing Authority Units	56,668	10.4%
Section 8 Vouchers	161,670	29.7%
USDA Units	23,981	4.4%
HFC Units*	100,860	
Total	535,972	

*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 total.

FORECLOSURES

Foreclosures can be a measure of availability and affordability of local housing stocks. The following data is from RealtyTrac and represents the number of notices announcing public auction of properties, which is one of the final steps in the foreclosure process. The highest number of notices of public auction was in Quarter 2 of State Fiscal Year 2014, December 2014-February 2015.

Foreclosures in Texas

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	498	9,801	488	544	11,331
Urban	11,028	1,860	9,626	8,342	30,856
Total	11,526	11,661	10,114	8,886	42,187

Source: RealtyTrac, State Fiscal Year 2015.

HOUSING AFFORDABILITY

The following tables 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, 833,284 renter households with income greater than 80 percent AMFI occupy units that would be affordable to households at 0-80 percent AMFI (see tables 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 tables below describe the housing market interaction of various income groups and housing costs. The tables illustrate the housing market mismatch between housing units and income groups. For example, very low-income renter households (0-30 percent of AMFI) account for only about 22.2 percent of all the owner occupants of housing that is affordable to them. Additionally, 32.4 percent of low-income renter households (0-80 percent AMFI) are residing in homes that are only affordable to renters with higher income categories, implying a cost burden.

Occupied Affordable Housing Units by Income Group of Renter, Texas

Units	Renter Households making 30% AMFI or less	Renter Households making <30%-50% AMFI	Renter Households making <50-80% AMFI	Renter Households making <80%-100% AMFI	Renter Households making <100% AMFI	Total units
Units Affordable at 0-30% AMFI	154,628	61,650	48,477	18,494	50,686	333,935
Units Affordable at >30-50% AMFI	198,233	155,364	135,648	47,850	81,061	618,156
Units Affordable at >50-80% AMFI	287,517	284,444	389,756	193,930	441,263	1,596,910
Units Affordable at >80% AMFI	57,060	44,513	79,998	55,471	323,872	560,914
Total Units	697,438	545,971	653,879	315,745	896,882	3,109,915

Percent of Affordable Housing Units by Income Group of Renter, Texas

Units	% of Renter Households making 30% AMFI or less	% of Renter Households making <30%-50% AMFI	% of Renter Households making <50-80% AMFI	% of Renter Households making <80%-100% AMFI	% of Renter Households making <100% AMFI
Units Affordable 0-at 30% AMFI	22.2%	11.3%	7.4%	5.9%	5.7%
Units Affordable at >30-50% AMFI	28.4%	28.5%	20.7%	15.2%	9.0%
Units Affordable at >50-80% AMFI	41.2%	52.1%	59.6%	61.4%	49.2%
Units Affordable at >80% AMFI	8.2%	8.2%	12.2%	17.6%	36.1%
Total Units	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2008-2012 CHAS, Table 15C.

Occupied Housing Units by Home Value and Income Group of Homeowner, Texas

Units	Owner Households making 30% AMFI or less	Owner Households making <30%-50% AMFI	Owner Households making <50-80% AMFI	Owner Households making <80%-100% AMFI	Owner Households making <100% AMFI	Total units
Home Value 0-50% AMFI	258,885	337,597	482,981	274,853	942,417	2,296,733
Home Value >50-80% AMFI	68,527	95,723	199,668	157,568	1,155,124	1,676,610
Home Value >80-100% AMFI	18,404	21,857	42,910	34,829	441,690	559,690
Home Value >100% AMFI	31,878	32,103	60,221	45,786	859,947	1,029,935
Total Units	377,694	487,280	785,780	513,036	3,399,178	5,562,968

Percent of Housing Units by Home Value and Income Group of Homeowner, Texas

Units	% of Owner Households making 30% AMFI or less	% of Owner Households making <30%-50% AMFI	% of Owner Households making <50-80% AMFI	% of Owner Households making <80%-100% AMFI	% of Owner Households making <100% AMFI
Home Value 0-30% AMFI	68.54%	69.28%	61.47%	53.57%	27.72%
Home Value >30-50% AMFI	18.14%	19.64%	25.41%	30.71%	33.98%
Home Value >50-80% AMFI	4.87%	4.49%	5.46%	6.79%	12.99%
Home Value >80% AMFI	8.44%	6.59%	7.66%	8.92%	25.30%
Total Units	100.00%	100.00%	100.00%	100.00%	100.00%

Source: 2008-2012 CHAS, Table 15A, 15B.

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);
- letters mailed to the agency's mailing address (PO Box 13941, Austin, TX 78711); and,
- web requests for assistance from <http://www.tdhca.state.tx.us/texans.htm>.

The first three methods of contact require TDHCA staff to assist individually. The fourth method is automated and does not entail individual attention for the requestor. The numbers below do not encompass the entire range of requests for assistance; 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. **Barrier Removal:** modifications to improve accessibility for persons with disabilities.
2. **Emergency Assistance:** short-term rental payments, often used to prevent eviction and various social services for poverty-level households.
3. **Foreclosure Prevention:** problems with banks or servicers or problems making mortgage payments. This type of request was only captured through calls, emails or direct mail and not through web requests. (Please note that TDHCA does not provide mediation with banks or servicers or mortgage assistance payments.)
4. **Homebuyer Assistance:** down payment assistance, low-interest loans and mortgage credit certificates.
5. **Homebuyer Education:** education for first-time homebuyers on the process for buying a home.
6. **Legal Assistance:** landlord/tenant disputes, contract for deeds issuances and other legal matters. This type of request was only captured through calls, emails or direct mail and not through web requests. (Please note that TDHCA does not provide legal assistance to the public.)
7. **Other Housing-Related Assistance:** referrals to realtors, sewers connections, homeowners associations and other general questions about housing. This type of request was only captured through calls, emails or direct mail and not through web requests. (Please note that TDHCA does not have jurisdiction over the issues in "Other Housing-Related Assistance.")

8. Rental Assistance: longer-term rental assistance, such as subsidized rent in a market-rate apartment or lower rents in reduced-rent apartments.
9. Repair Assistance: owner-occupied home repairs.
10. Utility Assistance: utility payment needs, possibly to prevent utilities from being disconnected.
11. Weatherization: weatherization to increase energy efficiency and decrease utility use.

For all requests except Legal Assistance and Other Housing-Related Assistance, TDHCA usually responds by referring the requestor to local agencies funded through TDHCA that provide help with these services. For Legal Assistance and Other Housing-Related Assistance, staff refers the public to local Legal Aids, nonprofits, or other state agencies. While the majority of TDHCA's programs do not serve individuals directly, there are two exceptions: the Section 8 HCV and Section 811 programs run by TDHCA in limited areas of the State. For Other Housing-Related Assistance, most requests are referred to other State agencies.

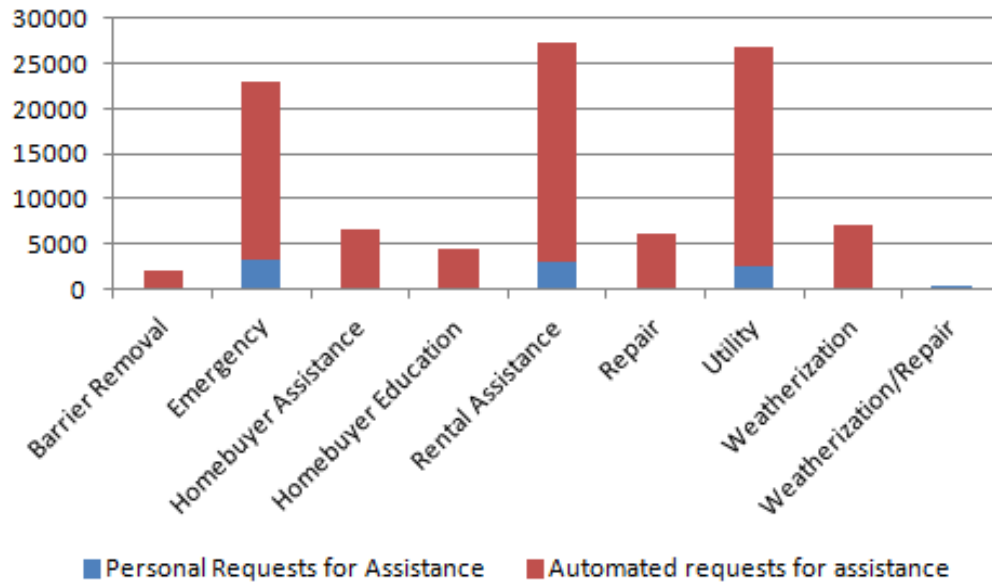
Public Assistance Requests

Type of Requests	Personal Requests for Assistance	Automated requests for assistance	Total
Barrier Removal	n/a	1,944	1,944
Emergency	3,185	19,708	22,893
Foreclosure	81	n/a	81
Homebuyer Assistance	141	6,365	6,506
Homebuyer Education	n/a	4,559	4,559
Legal	205	n/a	205
Other	156	n/a	156
Rental Assistance	2,981	24,434	27,415
Repair	n/a	6,227	6,227
Utility	2,551	24,283	26,834
Weatherization	n/a	7,217	7,217
Weatherization/Repair	351	n/a	351
Total	9,651	94,737	104,388

Source: Public Assistance Inventory, SFY 2015.

Notes: n/a indicates that this type of category is not recorded in the database. Often TDHCA provides Emergency Assistance referrals and Utility Assistance referrals to the same requester. During SFY 2015, TDHCA received 7,911 unduplicated Personal requests for assistance.

Public Assistance Requests



Source: Public Assistance Inventory, SFY 2015.
 Requests under 250 were not included in the graph.

Overall, the most common requests are for rental assistance, followed by utility assistance and then emergency assistance. For requests that require personal contact with TDHCA staff, the most common requests are emergency assistance, followed by rental assistance and then utility assistance.

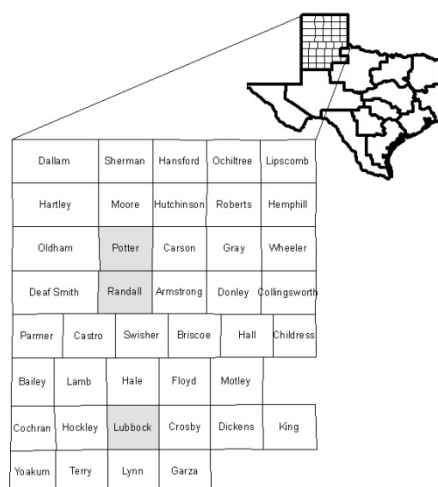
REGION 1

This 41-county region in the northwest corner of Texas encompasses over 39,500 square miles of the Panhandle. Region 1 has approximately 3.3 percent of Texas' population.

Region 1 Population

Region 1	Rural	Urban	Total
Population	319,200	527,221	846,421

Source: 2009-13 American Community Survey, Table B01003.



Approximately 62.3 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 (right), the shaded counties have MSAs with urban places, as defined by OMB and Texas Government Code §2306.004(36). In the latest OMB update released in February 2013, Lynn became part of Lubbock MSA and Oldham became part of Amarillo MSA, but these counties have no urban places so they are counted as rural. In addition, Armstrong and Carson are part of the Lubbock MSA and Crosby is part of the Lubbock MSA, but these counties have no urban places so they are counted as rural.

The table below depicts the number of individuals living below 125% of the poverty line in Region 1. Of the 195,997 individuals living below 125% of poverty, approximately 63.8 percent live in urban areas and the remaining 36.2 percent live in rural areas. However, the percentage of total rural residents below 125% poverty is only slightly lower than the percentage of total urban residents that are below 125% of the poverty line.

Region 1 Persons at 125% of Poverty

Region 1	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	70,946	302,948	23.42%	814,358	8.71%
Urban	125,051	507,327	24.65%	4,998,154	2.50%
Total	195,997	810,275	24.19%	5,812,512	3.37%

Source: 2009-2013 American Community Survey, Table S1701.

The table below depicts the income breakdown of the households in the region. Region 1 has a lower percentage of extremely low-income rural households than the State as a whole, but a higher percentage of extremely low-income urban households than the State as a whole.

Region 1 Household Incomes

Household (HH) Incomes	Urban HH Region 1	% of Urban HH in Region	% of Urban HH in State	Rural Region 1	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	25,395	13.1%	12.6%	11,568	10.5%	12.5%
>30 to 50% AMFI	22,210	11.4%	11.8%	14,204	13.0%	13.2%
>50 to 80% AMFI	33,235	17.1%	16.5%	19,608	17.9%	17.5%
>80 to 100% AMFI	18,360	9.4%	9.5%	11,327	10.3%	9.8%
>100% + AMFI	95,330	49.0%	49.6%	52,970	48.3%	46.9%

Source: 2008-2012 CHAS, Table 8.

REGION 1 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance use disorders 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.

ELDERLY PERSONS

Region 1 elderly persons make up 12.3 percent of the region's population, compared to statewide elderly population which makes up 10.7 percent the State's total population. Elderly persons in Region 1 make up 3.8 percent of the statewide total elderly population.

Region 1 Elderly Persons

Region 1	Elderly Persons	Regional Population	% of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional % of Statewide Elderly Population
Rural	44,090	319,200	13.8%	555,586	7.9%
Urban	60,648	527,221	11.5%	2,180,760	2.8%
Total	104,738	846,421	12.4%	2,736,346	3.8%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, persons with disabilities account for approximately 12.8 percent of the population in Region 1. Of this total, approximately 61.7 percent are residing in urban areas, with the remaining 38.3 percent in rural areas.

Region 1 Persons With Disabilities

Region 1	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	40,212	304,837	13.19%	542,268	7.42%
Urban	64,829	517,397	12.53%	2,359,788	2.75%
Total	105,041	822,234	12.78%	2,902,056	3.62%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

The number of people with HIV/AIDS as compared to Region 1's population is 0.1 percent, which is lower than the statewide percentage of 0.3 percent. Region 1 has the second smallest number of persons with HIV/AIDS, second only to Region 2.

Region 1 Persons Living with HIV/AIDS

Region 1	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	217	319,200	0.1%
Urban	779	527,221	0.1%
Total	996	846,421	0.1%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Veterans in Region 1 constitute 8.0 percent of the population over age 18. Veterans in Region 1 make up 3.1 percent of the statewide total veteran population.

Region 1 Veteran Population

Region 1	Veteran Population	Non-Veteran Population 18 years and older	% of Veterans to Total Population 18 and older	Regional % of Statewide Veteran Population
Rural	17,119	229,936	7.5%	6.7%
Urban	32,645	394,128	8.3%	2.5%
Total	49,764	624,064	8.0%	3.1%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 1, victims of violence comprise 1.0 percent of the region's population, compared to the statewide average of 0.7 percent. Victims of violence in Region 1 make up 4.6 percent of the statewide total.

Region 1 Victims of Domestic Violence

Region 1	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	1,750	0.5%	8.8%
Urban	6,848	1.3%	4.1%
Total	8,598	1.0%	4.6%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 1, 58.9 percent of youth aging out of foster care live in urban areas, while the remaining 41.1 percent live in rural areas. Region 1 has 5.9 percent of the statewide number of youth aging out of foster care.

Region 1 Youth Aging Out of Foster Care – Texas

Region 1	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	30	12.9%
Urban	43	4.2%
Total	73	5.9%

Source: Emancipated Foster Youth, SFY 2014, Texas Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 1,983 public assistance requests seeking assistance in Region 1, which accounted for 1.9 percent of total requests.

Region 1 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	21	36	57
Emergency	78	298	376
Foreclosure	0	0	0
Homebuyer Assistance	33	95	128
Homebuyer Education	6	45	51
Legal	1	4	5
Other	2	3	5
Rental Assistance	119	373	492
Repair	63	125	188
Utility	164	311	475
Weatherization	78	120	198
Weatherization/Repair	2	6	8
Total	567	1,416	1,983

Source: Public Request Inventory, SFY 2015.

REGION 1 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2009-2013 American Community Survey, 82.1 percent of the housing units in rural areas are occupied and 90.7 percent of housing units in urban areas are occupied in Region 1. Of the total housing stock, approximately 74.1 percent are one unit; 3.0 percent are two units; 14.2 percent are three or more units; 8.6 percent are manufactured homes; and the rest are boats and RVs.

Region 1 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	106,631	146,669	253,300
Housing units, 2 units	2,601	7,606	10,207
Housing units, 3 to 4 units	3,069	6,668	9,737
Housing units, 5 to 19 units	3,325	18,141	21,466
Housing units, 20 or more units	1,591	15,696	17,287
Housing units, mobile home	13,971	15,263	29,234
Housing units, other	108	289	397
Total housing units	131,296	210,332	341,628

Source: 2009-2013 American Community Survey, Table DP04

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional population is 2.0 percent, which is lower than the statewide average of 2.1 percent.

Region 1 Assisted Multifamily Units

Multifamily Units	Region Total	% of assisted units in Region	% of units to State Total
TDHCA Units	6,231	36.4%	2.7%
HUD Units	2,304	13.5%	3.6%
Public housing authority Units	1,485	8.7%	2.6%
Section 8 Vouchers	5,701	33.3%	3.5%
USDA Units	1,394	8.1%	5.8%
HFC Units*	1,607		
Total	17,115	100%	3.2%

*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.

HOUSING NEED

Of all households in Region 1 with housing problems, 82.7% are cost burdened, 3.9% are substandard and 13.4% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 30.7% of all households.

Urban Region 1 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	17,760	14,820	13,235	3,580	5,120	54,515
Lacking Kitchen and/or Plumbing	550	590	295	184	715	2,335
Overcrowding	1,203	1,095	1,580	905	1,800	6,583

Rural Region 1 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	6,957	5,776	3,732	1,202	1,583	19,250
Lacking Kitchen and/or Plumbing	269	370	112	59	312	1,123
Overcrowding	670	1,018	1,228	970	1,514	5,400

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 1 has 4.1% of the State's number total of homeowners who received notices of public auction.

Region 1 Notices of Public Auction

Region 1	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	7	871	7	14	899
Urban	260	112	239	225	836
Total	267	983	246	239	1,735

Source: RealtyTrac, State Fiscal Year 2015.

REGION 2

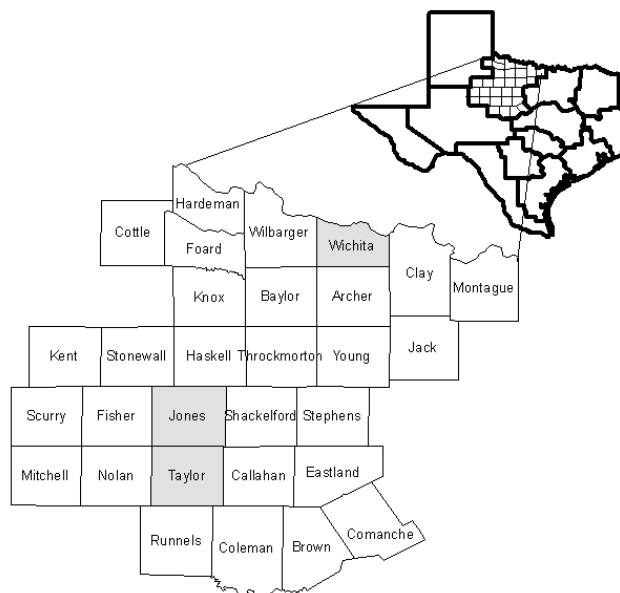
Region 2 surrounds the metropolitan areas of Wichita Falls and Abilene. Region 2 has 2.1% of the State's population.

Region 2 Population

Region 2	Rural	Urban	Total
Population	265,131	284,025	549,156

Source: 2009-13 American Community Survey, Tbl B01003.

Approximately 51.7 percent of Region 2 residents live in urban areas. In the map of Region 2 (above), the shaded counties have urban places as defined by Texas Government Code §2306.004(36). Archer and Clay are part of the Wichita MSA and Callahan is part of the Abilene MSA, but these counties have no urban places and so are counted as rural. The table below depicts the number of individuals living below 125% of the poverty line in Region 2. Compared to the State as a whole, Region 2 has the lowest share (2.0%) of the number of persons living at 125% poverty out of all 13 regions.



Region 2 Persons at 125% of Poverty

Region 2	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	59,678	252,106	23.67%	814,358	7.33%
Urban	58,172	258,853	22.47%	4,998,154	1.16%
Total	117,850	510,959	23.06%	5,812,512	2.03%

Source: 2009-2013 American Community Survey, Table S1701.

The table below depicts the income breakdown of Region 2. Region 2's urban areas have a smaller percentage of extremely low-income households than the State as a whole, but the region closely mirrors the State's income distribution in the rural areas.

Region 2 Household Incomes

Household (HH) Incomes	Urban HH Region 2	% of Urban HH in Region	% of Urban HH in State	Rural Region 2	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	11,335	11.0%	12.6%	11,770	11.6%	12.5%
>30 to 50% AMFI	12,050	11.7%	11.8%	13,280	13.1%	13.2%
>50 to 80% AMFI	17,915	17.4%	16.5%	17,464	17.3%	17.5%
>80 to 100% AMFI	10,950	10.6%	9.5%	10,348	10.2%	9.8%
>100% + AMFI	50,880	49.3%	49.6%	48,175	47.7%	46.9%

Source: 2008-2012 CHAS, Table 8.

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.

ELDERLY PERSONS

Elderly persons in Region 2 account for 15.9 percent of the population, which is the second highest percentage of elderly persons compared to the region's population. Region 4 has highest percentage of elderly persons compared to the region's population. Elderly persons in Region 2 make up 3.2 percent of the statewide total elderly population.

Region 2 Elderly Persons

Region 2	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	49,469	265,131	18.7%	555,586	8.9%
Urban	37,839	284,025	13.3%	2,180,760	1.7%
Total	87,308	549,156	15.9%	2,736,346	3.2%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 2, persons with disabilities account for approximately 16.2 percent of the population. Of this total, approximately 47.3 percent are residing in urban areas, with the remaining 52.7 percent in rural areas.

Region 2 Persons with Disabilities

Region 2	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	43,925	254,760	17.24%	542,268	8.10%
Urban	39,467	259,288	15.22%	2,359,788	1.67%
Total	83,392	514,048	16.22%	2,902,056	2.87%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

Region 2 has the smallest number of persons with HIV/AIDS compared to the other regions. The number of people with HIV/AIDS as compared to Region 2's population is 0.1 percent, which is lower than the statewide percentage of 0.3 percent.

Region 2 Persons Living with HIV/AIDS

Region 2	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	194	265,131	0.1%
Urban	364	284,025	0.1%
Total	558	549,156	0.1%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Of the population over 18 in Region 2, 11.5 percent are veterans. Region 2 has 3.0 percent of the statewide veteran population, which is the second lowest percentage. Region 12 has the lowest percentage of the statewide population of veterans.

Region 2 Veteran Population

Region 2	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	21,410	203,314	10.5%	8.4%
Urban	25,764	208,433	12.4%	1.9%
Total	47,174	411,747	11.5%	3.0%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 2, victims of violence comprise 0.9 percent of the region's population, compared to statewide average of 0.7 percent. Victims of violence in Region 2 make up 2.8 percent of the statewide total.

Region 2 Victims of Domestic Violence

Region 2	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	1,367	0.5%	6.9%
Urban	3,782	1.3%	2.3%
Total	5,149	0.9%	2.8%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

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 3.4 percent of the statewide number of youth aging out of foster care.

Region 2 Youth Aging out of Foster Care

Region 2	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	21	9.0%
Urban	21	2.1%
Total	42	3.4%

Source: Emancipated Foster Youth, SFY2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 2,383 public assistance requests seeking assistance in Region 2, which accounted for 2.3 percent of total requests.

Region 2 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	25	26	51
Emergency	131	189	320
Foreclosure	0	1	1
Homebuyer Assistance	78	81	159
Homebuyer Education	28	65	93
Legal	3	0	3
Other	1	2	3
Rental Assistance	159	222	381
Repair	110	118	228
Utility	381	473	854
Weatherization	165	113	278
Weatherization/Repair	4	8	12
Total	1,085	1,298	2,383

Source: Public Request Inventory, SFY 2015.

REGION 2 HOUSING ASSESSMENT

HOUSING SUPPLY

According to the 2009-2013 American Community Survey, 74.9 percent of the housing units in rural areas are occupied and 86.8 percent of housing units in urban areas are occupied in Region 2. Of the total housing stock, approximately 76.5 percent are one unit; 2.6 percent are two units; 10.7 percent are three or more units; 10.0 percent are manufactured homes; and the rest are boats and RVs.

Region 2 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	103,199	86,583	189,782
Housing units, 2 units	3,507	3,016	6,523
Housing units, 3 to 4 units	2,381	4,237	6,618
Housing units, 5 to 19 units	2,848	10,467	13,315
Housing units, 20 or more units	1,899	4,753	6,652
Housing units, mobile home	18,333	6,506	24,839
Housing units, other	211	123	334
Total housing units	132,378	115,685	248,063

Source: 2009-2013 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional population is 2.6 percent, which is higher than the statewide average of 2.1 percent.

Region 2 Assisted Multifamily Units

Multifamily Units	Region Total	% of assisted units in Region	% of units to State Total
TDHCA Units	3,893	26.4%	1.7%
HUD Units	1,817	12.3%	2.8%
Public housing authority Units	3,905	26.5%	6.9%
Section 8 Vouchers	3,428	23.3%	2.1%
USDA Units	1,693	11.5%	7.1%
HFC Units*	359		
Total	14,736	100%	2.7%

*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

HOUSING NEED

Of all households in Region 2 with housing problems, 85.7% are cost burdened, 5.1% are substandard and 9.2% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 30.0% of all households **Urban Region 2**

Households with Housing Problem

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	8,160	7,550	6,215	1,940	2,545	26,410
Lacking Kitchen and/or Plumbing	252	259	243	83	314	1,153
Overcrowding	279	445	785	173	683	2,365

Rural Region 2 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	6,775	6,364	4,391	1,096	1,756	20,382
Lacking Kitchen and/or Plumbing	475	213	311	154	480	1,635
Overcrowding	430	427	574	340	887	2,658

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 2 has 3.1% of the State's total number of homeowners who received notices of public auction.

Region 2 Notices of Public Auction

Region 2	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	43	746	45	41	875
Urban	150	22	138	121	431
Total	193	768	183	162	1,306

Source: RealtyTrac, State Fiscal Year 2015.

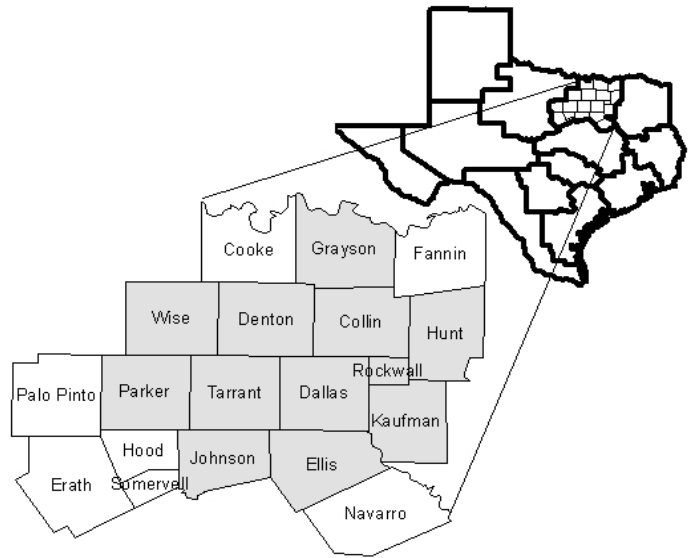
REGION 3

Region 3, which encompasses the metropolitan areas of Dallas, Fort Worth, Arlington, Sherman and Denison, has 26.8% of the State's population. It is the most populous region in Texas.

Region 3 Population

Region 3	Rural	Urban	Total
Population	247,240	6,636,832	6,884,072

Source: 2009-13 American Community Survey, Tbl B01003



Approximately 96.4 percent of Region 3 residents reside in urban areas. In the map of Region 3 (right), the shaded counties have urban places as defined by Texas Government Code §2306.004(36). In the latest OMB update, Hood and Somervell both became part of the Dallas-Fort Worth-Arlington MSA, but neither of these counties have urban places so they are counted as rural. The table below depicts the number of individuals living below 125% of the poverty line in Region 3. Of the 1,291,823 individuals below 125% of poverty, approximately 95.9 percent live in urban areas and the remaining 4.1 percent in rural areas. Compared to the State as a whole, Region 3 has the highest share (23.2%) of the number of persons living at 125% poverty out of all 13 regions. The Labor Market & Career Information Department of the Texas Workforce Commission projects that the population growth across the Dallas-Fort Worth area will drive job growth across Region 3 (Growth Abounds, 2013).

Region 3 Persons at 125% of Poverty

Region 3	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	55,402	239,498	23.13%	814,358	6.80%
Urban	1,291,823	6,545,663	19.74%	4,998,154	25.85%
Total	1,347,225	6,785,161	19.86%	5,812,512	23.18%

Source: 2009-2013 American Community Survey, Table S1701.

The table below depicts the income breakdown for Region 3. Region 3 has a lower percentage of extremely-low households and a higher percentage of households at the higher income levels than the State as a whole.

Region 3 Household Incomes

Household (HH) Incomes	Urban HH Region 3	% of Urban HH in Region	% of Urban HH in State	Rural Region3	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	267,135	11.5%	12.6%	10,945	11.9%	12.5%
>30 to 50% AMFI	262,315	11.3%	11.8%	10,660	11.5%	13.2%
>50 to 80% AMFI	380,430	16.4%	16.5%	15,800	17.1%	17.5%
>80 to 100% AMFI	224,015	9.6%	9.5%	8,925	9.7%	9.8%
>100% + AMFI	1,190,735	51.2%	49.6%	46,005	49.8%	46.9%

Source: 2008-2012 CHAS, Table 8.

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.

ELDERLY PERSONS

Region 3 elderly persons make up 9.6 percent of the region's population, compared to statewide elderly population which makes up 10.7 percent the State's total population. Elderly persons in Region 3 make up 24.1 percent of the statewide total elderly population, which is the biggest share of elderly households in the State.

Region 3 Elderly Persons

Region 3	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	41,861	247,240	16.9%	555,586	7.5%
Urban	617,138	6,636,832	9.3%	2,180,760	28.3%
Total	658,999	6,884,072	9.6%	2,736,346	24.1%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 3, persons with disabilities account for approximately 9.6 percent of the population. Of this total, approximately 94.3 percent are residing in urban areas, with the remaining 5.7 percent in rural areas.

Region 3 Persons with Disabilities

Region 3	Persons with Disabilities	Total Civilian Noninstitutionalized Population*	% of Persons with a Disability to Regional Population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	37,154	241,634	15.38%	542,268	6.85%
Urban	619,083	6,579,316	9.41%	2,359,788	26.23%
Total	656,237	6,820,950	9.62%	2,902,056	22.61%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 24,824 persons living with HIV/AIDS in Region 3. Region 3 has the second largest 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 larger than the statewide percentage of persons with HIV/AIDS compared to population.

Region 3 Persons Living with HIV/AIDS

Region 3	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	256	247,240	0.1%
Urban	24,568	6,636,832	0.4%
Total	24,824	6,884,072	0.4%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Of the population over 18 in Region 3, 7.9 percent are veterans. Region 3 has the highest share of veterans statewide, at 24.9 percent.

Region 3 Veteran Population

Region 3	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	20,872	188,856	11.1%	8.1%
Urban	373,246	4,811,032	7.8%	28.1%
Total	394,118	4,999,888	7.9%	24.9%

Source: 2009-2012 American Community Survey, Table S2101

VICTIMS OF DOMESTIC VIOLENCE

Region 3 has a similar percent of victims of domestic violence compared to regional population (0.7 percent) compared to the statewide percentage of victims of domestic violence (0.7 percent). Incidents of violence in Region 3 make up 24.2 percent of the statewide total incidents of violence.

Region 3 Victims of Domestic Violence

Region 3	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	1,565	0.6%	7.9%
Urban	43,287	0.7%	26.1%
Total	44,852	0.7%	24.2%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 3, 95.6 percent of youth aging out of foster care live in urban areas, while the remaining 4.4 percent live in rural areas. Region 3 has the second highest number of youth aging out of foster care compared to the other regions, second only to Region 6.

Region 3 Youth Aging Out of Foster Care

Region 3	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	11	4.7%
Urban	240	23.7%
Total	251	20.1%

Source: Emancipated Foster Youth, SFY2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 36,532 public assistance requests seeking assistance in Region 3, which accounted for 35.0 percent of total requests.

Region 3 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	21	510	531
Emergency	136	8,995	9,131
Foreclosure	1	23	24
Homebuyer Assistance	43	1,977	2,020
Homebuyer Education	16	1,240	1,256
Legal	3	56	59
Other	2	33	35
Rental Assistance	219	10,306	10,525
Repair	96	1,817	1,913
Utility	307	8,230	8,537
Weatherization	112	2,314	2,426
Weatherization/Repair	2	73	75
Total	958	35,574	36,532

Source: Public Request Inventory, SFY 2015

REGION 3 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2009-2013 American Community Survey, 82.8 percent of the housing units in rural areas are occupied and 91.4 percent of housing units in urban areas are occupied in Region 3. Rural areas of Region 3 have the second highest rural occupancy rate, second only to Region 9. Of the total housing stock, 66.1 percent are one unit; 1.4 percent are two units; 27.7 percent are three or more units; 4.7 are manufactured homes; and the rest are boats and RVs.

Region 3 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	77,404	1,646,781	1,724,185
Housing units, 2 units	2,381	34,461	36,842
Housing units, 3 to 4 units	2,769	84,250	87,019
Housing units, 5 to 19 units	3,537	375,796	379,333
Housing units, 20 or more units	2,474	254,830	257,304
Housing units, mobile home	21,389	101,467	122,856
Housing units, other	332	1,868	2,200
Total housing units	110,286	2,499,453	2,609,739

Source: 2009-2013 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional population is 1.9 percent, which is lower than the statewide average of 2.0 percent.

Region 3 Assisted Multifamily Units

Multifamily Units	Region Total	% of assisted units in Region	% of units to State Total
TDHCA Units	63,946	46.8%	27.9%
HUD Units	12,613	9.2%	19.4%
Public housing authority Units	7,633	5.6%	13.5%
Section 8 Vouchers	48,608	35.6%	30.1%
USDA Units	3,816	2.8%	15.9%
HFC Units*	21,552		
Total	136,616	100%	25.5%

*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

HOUSING NEED

Of all households in Region 3 with housing problems, 84.7% are cost burdened, 2.9% are substandard and 12.4% are overcrowded. Additionally, households at or below 30% are the largest income category with housing problems, comprising 26.4% of all households.

Urban Region 3 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	186,170	177,715	169,214	57,890	99,785	690,774
Lacking Kitchen and/or Plumbing	5,488	3,768	4,940	1,943	6,249	22,391
Overcrowding	22,562	24,504	25,819	10,837	17,349	101,071

Rural Region 3 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	7,495	5,209	5,404	1,485	2,434	22,027
Lacking Kitchen and/or plumbing	299	469	248	213	604	1,836
Overcrowding	467	623	827	314	944	3,175

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 3 has 22.6% of the State's total number of homeowners who received notices of public auction.

Region 3 Notices of Public Auction

Region 3	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	60	50	78	67	255
Urban	3,347	394	3,185	2,371	9,297
Total	3,407	444	3,263	2,438	9,552

Source: RealtyTrac, State Fiscal Year 2015.

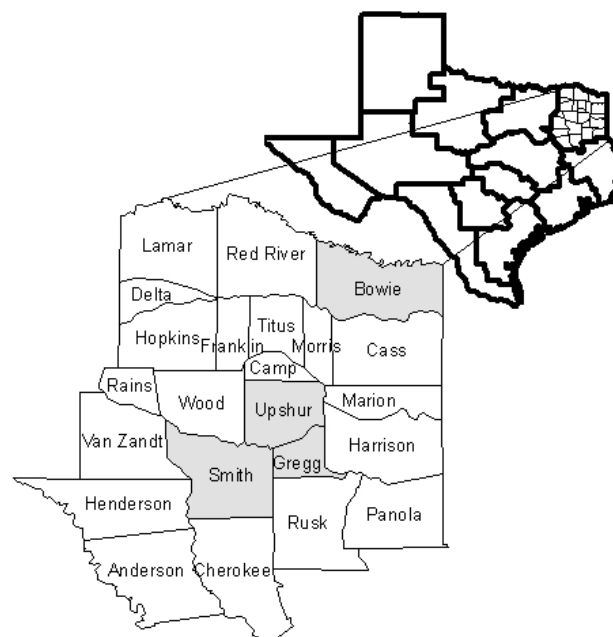
REGION 4

Region 4, located in the northeast corner of the state, surrounds the urban areas of Texarkana, Longview-Marshall and Tyler. It has 4.4% of the State's population.

Region 4 Population

Region 4	Rural	Urban	Total
Population	649,238	466,976	1,116,214

Source: 2009-13 American Community Survey, Tbl B01003



Region 4 is mainly rural; 58.2% of the population lives in rural areas. In the map of Region 4 (right), the shaded counties have urban places as defined by Texas Government Code §2306.004(36). Although Rusk is part of the Longview MSA, the county has no urban places and is counted as rural. Delta County was part of the Dallas/Fort Worth/Arlington MSA but has been removed in the latest OMB update. As seen in the table below, the percentage of rural residents below 125% of poverty is slightly higher than the urban residents below 125% of poverty. Compared to the State as a whole, Region 4 has the highest share (18.7%) of the number of persons living at 125% poverty in Rural places out of all 13 regions.

Region 4 Persons at 125% of Poverty

Region 4	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	152,247	618,829	24.60%	814,358	18.70%
Urban	104,529	452,703	23.09%	4,998,154	2.09%
Total	256,776	1,071,532	23.96%	5,812,512	4.42%

Source: 2009-2013 American Community Survey, Table S1701.

According to the table below, Region 4 has a lower percentage of households with extremely low incomes and low-incomes in both Urban and Rural areas, compared to the State as a whole.

Region 4 Household Incomes

Household (HH) Incomes	Urban HH Region 4	% of Urban HH in Region	% of Urban HH in State	Rural Region 4	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	19,490	11.4%	12.6%	27,890	12.0%	12.5%
>30 to 50% AMFI	20,760	12.1%	11.8%	30,395	13.0%	13.2%
>50 to 80% AMFI	28,365	16.5%	16.5%	39,345	16.9%	17.5%
>80 to 100% AMFI	16,485	9.6%	9.5%	23,755	10.2%	9.8%
>100% + AMFI	86,475	50.4%	49.6%	111,990	48.0%	46.9%

Source: 2008-2012 CHAS, Table 8.

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.

ELDERLY PERSONS

Elderly persons in Region 4 account for 16.0 percent of the population, which is the highest percentage of elderly persons compared to the region's population. Elderly persons in Region 4 make up 6.6 percent of the statewide total elderly population.

Region 4 Elderly Persons

Region 4	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	110,987	649,238	17.1%	555,586	20.0%
Urban	67,517	466,976	14.5%	2,180,760	3.1%
Total	178,504	1,116,214	16.0%	2,736,346	6.5%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 4, persons with disabilities account for approximately 16.2 percent of the population. Of this total, approximately 38.1 percent are residing in urban areas, with the remaining 61.9 percent in rural areas.

Region 4 Persons with Disabilities

Region 4	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	108,426	623,252	17.40%	542,268	19.99%
Urban	66,676	457,241	14.58%	2,359,788	2.83%
Total	175,102	1,080,493	16.21%	2,902,056	6.03%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 1,868 persons living with HIV/AIDS in Region 4. The number of people with HIV/AIDS as compared to Region 4's population is 0.2 percent, which is lower than the statewide percentage of 0.3 percent.

Region 4 Persons Living with HIV/AIDS

Region 4	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	820	649,238	0.1%
Urban	1,048	466,976	0.2%
Total	1,868	1,116,214	0.2%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Of the population over 18 in Region 4, 10.7 percent are veterans. Region 4 has 5.7 percent of the statewide veteran population.

Region 4 Veteran Population

Region 4	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	54,852	496,320	11.1%	21.4%
Urban	35,879	349,197	10.3%	2.7%
Total	90,731	845,517	10.7%	5.7%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 4, victims of violence comprise 0.6 percent of the region's population, compared to the statewide average of 0.7 percent. Victims of violence in Region 4 make up 3.6 percent of the statewide total.

Region 4 Victims of Domestic Violence

Region 4	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	3,849	0.6%	19.3%
Urban	2,876	0.6%	1.7%
Total	6,725	0.6%	3.6%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 4, 29.9 percent of youth aging out of foster care live in urban areas, while the remaining 70.1 percent live in rural areas. Region 4 has 6.2 percent of the statewide number of youth aging out of foster care.

Region 4 Youth Aging out of Foster Care

Region 4	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	54	23.2%
Urban	23	2.3%
Total	77	6.2%

Source: Emancipated Foster Youth, SFY2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 5,803 public assistance requests seeking assistance in Region 4, which accounted for 5.6 percent of total requests.

Region 4 Public Assistance Request Inventory

Types of Requests	Urban	Rural	Total
Barrier Removal	Rural	Urban	Total
Emergency	93	56	149
Foreclosure	473	551	1,024
Homebuyer Assistance	2	3	5
Homebuyer Education	170	131	301
Legal	54	55	109
Other	1	9	10
Rental Assistance	3	2	5
Repair	651	677	1,328
Utility	345	168	513
Weatherization	961	809	1,770
Weatherization/Repair	354	199	553
Total	21	15	36

Source: Public Request Inventory, SFY 2015.

REGION 4 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2009-2013 American Community Survey, 81.6 percent of the housing units in rural areas are occupied and 89.3 percent of housing units in urban areas are occupied in Region 4. Of the total housing stock, 70.7 percent are one unit; 2.4 percent are two units; 9.0 percent are three or more units; 17.7 are manufactured homes; and the rest are boats and RVs.

Region 4 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	203,194	129,407	332,601
Housing units, 2 units	4,769	6,375	11,144
Housing units, 3 to 4 units	5,638	5,395	11,033
Housing units, 5 to 19 units	6,808	14,119	20,927
Housing units, 20 or more units	3,361	7,077	10,438
Housing units, mobile home	58,228	25,012	83,240
Housing units, other	849	480	1,329
Total housing units	282,847	187,865	470,712

Source: 2009-2013 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional population is 2.1 percent, which is the same as the statewide average of 2.1 percent.

Region 4 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	7,251	30.7%	3.2%
HUD Units	3,062	13.0%	4.7%
Public housing authority Units	3,108	13.2%	5.5%
Section 8 Vouchers	6,557	27.8%	4.1%
USDA Units	3,615	15.3%	15.1%
HFC Units*	1,173		
Total	23,593	100%	4.4%

*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

HOUSING NEED

Of all households in Region 4 with housing problems, 82.3% are cost burdened, 5.4% are substandard and 12.4% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 29.3% of all households.

Urban Region 4 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	12,735	12,055	11,045	3,115	4,410	43,360
Lacking Kitchen and/or Plumbing	565	579	450	305	390	2,293
Overcrowding	1,010	1,235	1,749	929	1,490	6,413

Rural Region 4 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	17,249	14,660	10,709	4,292	5,129	52,039
Lacking Kitchen and/or Plumbing	1,240	658	779	319	949	3,949
Overcrowding	1,203	1,580	1,617	973	2,547	7,920

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 4 has 4.0% of the State's total number of homeowners who received notices of public auction.

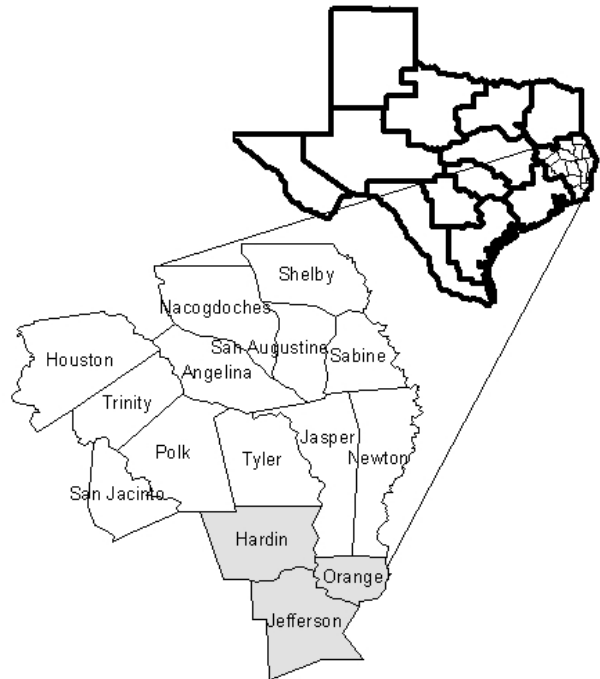
Region 4 Notices of Public Auction

Region 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	134	674	150	156	1,114
Urban	202	12	181	193	588
Total	336	686	331	349	1,702

Source: RealtyTrac, State Fiscal Year 2015.

REGION 5

Region 5 encompasses a 15-county area in east Texas including the urban areas of Beaumont and Port Arthur. This region has 3.0% of the State's population.



Region 5 Population

Region 5	Rural	Urban	Total
Population	379,133	389,474	768,607

Source: 2009-32 American Community Survey, Tbl B01003

Approximately 50.7 percent of Region 5 residents live in urban areas. In the map of Region 5 (above), the shaded counties have urban places as defined by Texas Government Code §2306.004(36). Per the latest OMB update, Newton County is part of the Beaumont/Port Arthur MSA but has no urban places, so is counted as a rural area. Also, San Jacinto is no longer part of the Houston/The Woodlands/Sugar Land MSA. The table below depicts the number of individuals living below 125% of the poverty line in Region 5. Of the 185,974 individuals living below 125% of poverty, approximately 47.4 percent live in urban areas and the remaining 52.6 percent live in rural areas. Additionally, the percentage of total rural residents below 125% of poverty (12.1%) is much higher than the percentage of total urban residents below 125% of poverty (1.7%). Further, compared to the State as a whole, the percentage of total urban residents below 125% of poverty in Region 5 is second only to Region 2 at 1.16%.

The table below depicts the number of individuals living below 125% of the poverty line in Region 5. Of the 185,974 individuals living below 125% of poverty, approximately 47.4 percent live in urban areas and the remaining 52.6 percent live in rural areas. Additionally, the percentage of total rural residents below 125% of poverty (12.1%) is much higher than the percentage of total urban residents below 125% of poverty (1.7%). Further, compared to the State as a whole, the percentage of total urban residents below 125% of poverty in Region 5 is second only to Region 2 at 1.16%.

Region 5 Persons at 125% of Poverty

Region 5	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	97,783	358,236	27.30%	814,358	12.01%
Urban	88,191	371,674	23.73%	4,998,154	1.76%
Total	185,974	729,910	25.48%	5,812,512	3.20%

Source: 2009-2013 American Community Survey, Table S1701.

The table below depicts the income breakdown of Region 5. Region 5's rural areas have a higher percentage of extremely low-income households and a lower percentage of higher-income households than the State as a whole.

Region 5 Household Incomes

Household (HH) Incomes	Urban HH Region 5	% of Urban HH in Region	% of Urban HH in State	Rural Region 5	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	17,985	12.5%	12.6%	18,080	13.2%	12.5%
>30 to 50% AMFI	17,790	12.3%	11.8%	18,510	13.5%	13.2%
>50 to 80% AMFI	21,915	15.2%	16.5%	25,415	18.5%	17.5%
>80 to 100% AMFI	13,700	9.5%	9.5%	14,039	10.2%	9.8%
>100% + AMFI	72,935	50.5%	49.6%	61,360	44.7%	46.9%

Source: 2008-2012 CHAS, Table 8.

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.

ELDERLY PERSONS

Region 5 elderly persons make up 15.0 percent of the region's population, compared to statewide elderly population which makes up 10.7 percent the State's total population. Elderly persons in Region 5 make up 4.2 percent of the statewide total elderly population.

Region 5 Elderly Persons

Region 5	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	63,231	379,133	16.7%	555,586	11.4%
Urban	51,797	389,474	13.3%	2,180,760	2.4%
Total	115,028	768,607	15.0%	2,736,346	4.2%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 5, persons with disabilities account for approximately 17.7 percent of the population. Of this total, approximately 45.8 percent are residing in urban areas, with the remaining 54.2 percent in rural areas.

Region 5 Persons with Disabilities

Region 5	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	70,722	364,827	19.39%	542,268	13.04%
Urban	59,745	373,902	15.98%	2,359,788	2.53%
Total	130,467	738,729	17.66%	2,902,056	4.50%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 1,679 persons living with HIV/AIDS in Region 5. The number of people with HIV/AIDS as compared to Region 5's population is 0.2 percent, which is lower than the statewide percentage of 0.3 percent.

Region 5 Persons with HIV/AIDS

Region 5	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	612	379,133	0.2%
Urban	1,067	389,474	0.3%
Total	1,679	768,607	0.2%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Of the population over 18 in Region 5, 10.2 percent are veterans. Region 5 has 3.8 percent of the statewide veteran population.

Region 5 Veteran Population

Region 5	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	31,186	289,921	10.8%	12.2%
Urban	28,275	294,596	9.6%	2.1%
Total	59,461	584,517	10.2%	3.8%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 5, victims of violence make up 1.0 percent of the region's population, compared to a statewide average of 0.7 percent. Victims of violence in Region 5 make up 4.2 percent of the statewide total.

Region 5 Victims of Domestic Violence

Region 5	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	2,833	0.7%	14.2%
Urban	5,047	1.3%	3.0%
Total	7,880	1.0%	4.2%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 5, 27.0 percent of youth aging out of foster care live in urban areas, while the remaining 73.0 percent live in rural areas. Region 5 has 3.0 percent of the statewide number of youth aging out of foster care.

Region 5 Youth Aging out of Foster Care

Region 5	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	27	11.6%
Urban	10	1.0%
Total	37	3.0%

Source: Emancipated Foster Youth, SFY 2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 3,340 public assistance requests seeking assistance in Region 5, which accounted for 3.2 percent of total requests.

Region 5 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	65	54	119
Emergency	249	337	586
Foreclosure	1	0	1
Homebuyer Assistance	78	117	195
Homebuyer Education	28	42	70
Legal	2	0	2
Other	2	3	5
Rental Assistance	284	391	675
Repair	158	135	293
Utility	459	614	1,073
Weatherization	144	153	297
Weatherization/Repair	12	12	24
Total	1,482	1,858	3,340

Source: Public Request Inventory, SFY 2015.

REGION 5 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2009-2013 American Community Survey, 76.9 percent of the housing units in rural areas are occupied and 88.2 percent of housing units in urban areas are occupied in Region 5. Of the total housing stock, 69.6 percent are one unit; 1.6 percent are two units; 11.0 percent are three or more units; and 17.4 percent are manufactured homes. Boats and RVs make up the rest of the housing stock.

Region 5 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	118,183	116,522	234,705
Housing units, 2 units	2,934	2,559	5,493
Housing units, 3 to 4 units	3,280	4,353	7,633
Housing units, 5 to 19 units	5,038	15,416	20,454
Housing units, 20 or more units	3,204	5,669	8,873
Housing units, mobile home	43,385	15,418	58,803
Housing units, other	740	331	1,071
Total housing units	176,764	160,268	337,032

Source: 2009-2013 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

Region 5 has the highest percentage of total number of assisted multifamily units compared to regional population (3.4 percent), which is higher than the statewide average of 2.1 percent.

Region 5 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	8,421	32.7%	3.7%
HUD Units	4,497	17.4%	6.9%
Public housing authority Units	2,995	11.6%	5.3%
Section 8 Vouchers	8,650	33.6%	5.4%
USDA Units	1,219	4.7%	5.1%
HFC Units*	1,289		
Total	25,782	100%	4.8%

*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.

HOUSING NEED

Of all households in Region 5 with housing problems, 83.9% are cost burdened, 4.4% are substandard and 11.8% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 33.3% of all households.

Urban Region 5 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	12,185	9,505	6,970	2,345	2,995	34,000
Lacking Kitchen and/or Plumbing	330	205	145	210	480	1,375
Overcrowding	615	760	824	508	1,370	4,077

Rural Region 5 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	11,390	8,950	6,704	1,729	2,413	31,186
Lacking Kitchen and/or Plumbing	596	329	397	129	565	2,021
Overcrowding	775	1,129	1,131	655	1,388	5,078

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 5 has 1.7% of the State's total number of homeowners who received notices of public auction.

Region 5 Notices of Public Auction

Region 5	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	49	193	46	54	342
Urban	131	11	126	114	382
Total	180	204	172	168	724

Source: RealtyTrac, State Fiscal Year 2015.

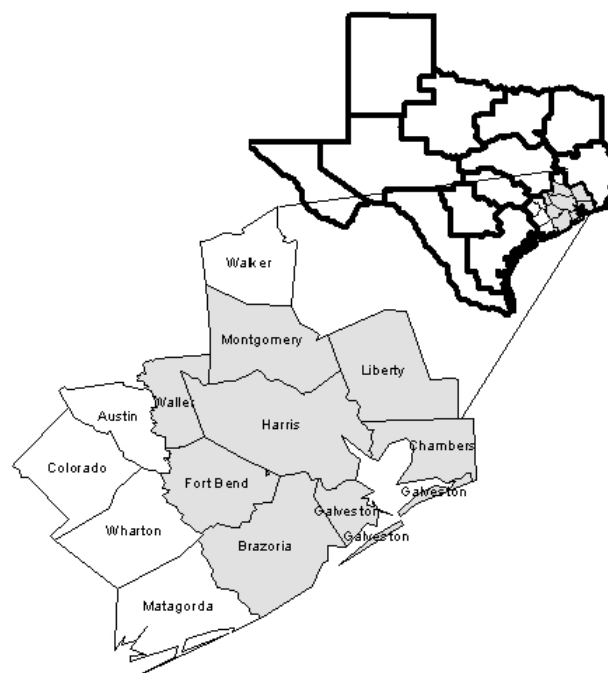
REGION 6

Region 6 includes the urban area of Houston, Brazoria and Galveston. This region has 24.3% of the State's population, second only to Region 3.

Region 6 Population

Region 6	Rural	Urban	Total
Total	195,283	6,034,967	6,230,250

Source: 2009-13 American Community Survey, Tbl B01003.



Region 6 is mainly urban with 96.9% population located in urban areas. In the map of Region 6 (right), the shaded counties have urban places as defined by Texas Government Code §2306.004(36). Although Austin County is part of the Houston/The Woodlands MSA, the county has no urban places and is counted as rural. According to the table below, the percentage of total rural residents below 125% of poverty (96.8%) is significantly higher than the percentage of total urban residents below 125% of poverty (3.2%). This may be due to the region's rural counties lagging behind the Houston MSA in recent and expected job creation (Texas Comptroller of Public Accounts, 2010).

Region 6 Persons at 125% of Poverty

Region 6	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	42,625	172,026	24.78%	814,358	5.23%
Urban	1,281,936	5,955,094	21.53%	4,998,154	25.65%
Total	1,324,561	6,127,120	21.62%	5,812,512	22.79%

Source: 2009-2013 American Community Survey, Table S1701.

According to the table below, Region 6 has slightly more households with higher incomes than the State as a whole. The Labor Market & Career Information Department of the Texas Workforce Commission projects that modest employment growth may be driven by stable oil prices, construction at many chemical plants in the region, new housing demand, population growth, income growth and rising international demand for exports from the Houston area (Growth Abounds, 2013).

Region 6 Household Incomes

Household (HH) Incomes	Urban HH Region 6	% of Urban HH in Region	% of Urban HH in State	Rural Region 6	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	251,760	12.5%	12.6%	9,550	14.3%	12.5%
>30 to 50% AMFI	239,720	11.9%	11.8%	8,210	12.3%	13.2%
>50 to 80% AMFI	322,480	15.9%	16.5%	11,025	16.5%	17.5%
>80 to 100% AMFI	184,710	9.1%	9.5%	6,820	10.2%	9.8%
>100% + AMFI	1,023,450	50.6%	49.6%	31,160	46.7%	46.9%

Source: 2008-2012 CHAS, Table 8.

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.

ELDERLY PERSONS

Elderly persons in Region 6 account for 9.1 percent of the total regional population, which is the lowest percentage of all regions. Elderly persons in Region 6 make up 20.6 percent of the statewide total elderly population, which is the second highest share of this population in the State. The highest share of elderly households is in Region 3.

Region 6 Elderly Persons

Region 6	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	27,458	195,283	14.1%	555,586	4.9%
Urban	537,435	6,034,967	8.9%	2,180,760	24.6%
Total	564,893	6,230,250	9.1%	2,736,346	20.6%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 6, persons with disabilities account for approximately 9.5 percent of the population. Of this total, approximately 96.2 percent are residing in urban areas, with the remaining 3.8 percent in rural areas.

Region 6 Persons with Disabilities

Region 6	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	22,461	175,346	12.81%	542,268	4.14%
Urban	562,692	5,984,034	9.40%	2,359,788	23.85%
Total	585,153	6,159,380	9.50%	2,902,056	20.16%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

Region 6 has the largest number of persons with HIV/AIDS and the region's percentage of persons 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 (0.3 percent).

Region 6 Persons Living with HIV/AIDS

Region 6	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	329	195,283	0.2%
Urban	26,366	6,034,967	0.4%
Total	26,695	6,230,250	0.4%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Region 6 has the second lowest percentage of veterans (6.8 percent) compared to population for all the regions, second only to Region 11 (4.9 percent). However, because it has such a large population, Region 6 has the second highest share of the statewide veterans, second only to Region 3. Region 6 has 19.3 percent of the statewide veteran population.

Region 6 Veteran Population

Region 6	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	13,231	151,768	8.7%	5.2%
Urban	292,314	4,362,421	6.7%	22.0%
Total	305,545	4,514,189	6.8%	19.3%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

Region 6 has a similar percent of victims of domestic violence compared to regional population (0.7 percent) compared to the statewide percentage of victims of domestic violence (0.7 percent). Victims of violence in Region 6 make up 24.4 percent of the statewide total.

Region 6 Victims of Domestic Violence

Region 6	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	1,345	0.7%	6.8%
Urban	43,901	0.7%	26.5%
Total	45,246	0.7%	24.4%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 6, 97.8 percent of youth aging out of foster care live in urban areas, while the remaining 2.2 percent live in rural areas. Region 6 has the highest percentage of the statewide population of youth aging out of foster care.

Region 6 Youth Aging out of Foster Care

Region 6	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	6	2.6%
Urban	265	26.2%
Total	271	21.7%

Source: Emancipated Foster Youth, SFY 2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 24,695 public assistance requests seeking assistance in Region 6, which accounted for 23.7 percent of total requests.

Region 6 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	35	300	335
Emergency	132	5,309	5,441
Foreclosure	0	20	20
Homebuyer Assistance	47	1,653	1,700
Homebuyer Education	21	1,539	1,560
Legal	0	49	49
Other	1	34	35
Rental Assistance	186	6,470	6,656
Repair	71	1,047	1,118
Utility	209	6,174	6,383
Weatherization	46	1,308	1,354
Weatherization/Repair	1	43	44
Total	749	23,946	24,695

Source: Public Request Inventory, SFY 2015.

REGION 6 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2009-2013 American Community Survey, 80.1 percent of the housing units in rural areas are occupied and 88.9 percent of housing units in urban areas are occupied in Region 6. Of the total housing stock, 64.6 percent are one unit; 1.2 percent are two units; 28.7 percent are three or more units; 5.3 percent are manufactured homes; and the rest are RVs and boats.

Region 6 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	55,622	1,443,007	1,498,629
Housing units, 2 units	1,479	27,047	28,526
Housing units, 3 to 4 units	2,251	60,207	62,458
Housing units, 5 to 19 units	5,795	326,715	332,510
Housing units, 20 or more units	3,172	266,363	269,535
Housing units, mobile home	13,966	109,863	123,829
Housing units, other	228	2834	3,062
Total housing units	82,513	2,236,036	2,318,549

Source: 2009-2013 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

Region 6 has the lowest percentage of assisted units compared to the region’s population (1.8 percent), which is lower than the statewide average (2.1 percent).

Region 6 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units In Region	Percent of units to State Total
TDHCA Units	60,550	53.8%	26.5%
HUD Units	15,638	13.9%	24.1%
Public housing authority Units	4,719	4.2%	8.3%
Section 8 Vouchers	28,644	25.4%	17.7%
USDA Units	3,075	2.7%	12.8%
HFC Units*	40,883		
Total	112,626	100%	21.0%

*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.

HOUSING NEED

Of all households in Region 6 with housing problems, 82.2% are cost burdened, 3.2% are substandard and 14.7% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 28.1% of all households.

Urban Region 6 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	169,800	155,155	140,785	48,694	82,135	596,569
Lacking Kitchen and/or Plumbing	6,004	4,099	4,453	1,965	6,749	23,276
Overcrowding	26,574	24,900	24,575	10,385	21,080	107,514

Rural Region 6 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	7,035	4,605	3,405	1,065	1,444	17,554
Lacking Kitchen and/or Plumbing	154	144	130	80	100	614
Overcrowding	152	480	570	259	564	2,025

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 6 has 20.0% of the State’s total number of homeowners who received notices of public auction.

Region 6 Notices of Public Auction

Region 6	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	16	46	6	17	85
Urban	3,324	79	2,375	2,573	8,351
Total	3,340	125	2,381	2,590	8,436

Source: RealtyTrac, State Fiscal Year 2015.

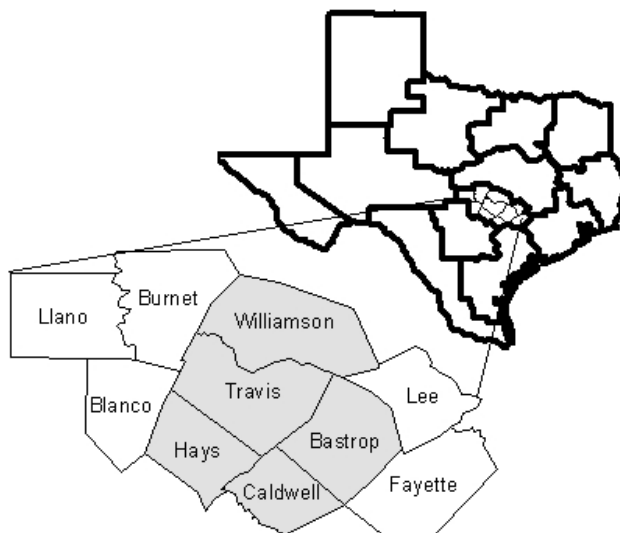
REGION 7

The urban area of Austin-San Marcos is at the center of Region 7. This region has 7.4% of the State's population.

Region 7 Population

Region 7	Rural	Urban	Total
Total	114,280	1,782,032	1,896,312

Source: 2009-13 American Community Survey, Tbl B01003



Approximately 94.0 percent of Region 7 residents live in urban areas. In the map of Region 7 (right), the shaded counties have urban places as defined by Texas Government Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 7. The percentage of persons at 125% of poverty compared to the regional population (19.2%) is the lowest in Region 7 out of the 13 regions. The State percentage of persons at 125% of poverty is 23.2%.

Region 7 Persons at 125% of Poverty

Region 7	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	21,578	111,951	19.27%	814,358	2.65%
Urban	335,580	1,744,284	19.24%	4,998,154	6.71%
Total	357,158	1,856,235	19.24%	5,812,512	6.14%

Source: 2009-2013 American Community Survey, Table S1701.

The table below depicts the income breakdown of Region 7. Rural areas of Region 7 have a greater percentage of higher-income households than the State as a whole.

Region 7 Household Incomes

Household (HH) Incomes	Urban HH Region 7	% of Urban HH in Region	% of Urban HH in State	Rural Region 7	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	83,140	12.8%	12.6%	4,680	10.2%	12.5%
>30 to 50% AMFI	71,590	11.0%	11.8%	6,230	13.6%	13.2%
>50 to 80% AMFI	109,945	17.0%	16.5%	8,425	18.4%	17.5%
>80 to 100% AMFI	65,710	10.1%	9.5%	4,065	8.9%	9.8%
>100% + AMFI	318,045	49.0%	49.6%	22,375	48.9%	46.9%

Source: 2008-2012 CHAS, Table 8.

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.

ELDERLY PERSONS

Elderly persons in Region 7 account for 9.3 percent of the regional population, which is the second lowest percentage of all regions. Elderly persons in Region 7 make up 6.4 percent of the statewide total elderly population.

Region 7 Elderly persons

Region 7	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	24,883	114,280	21.8%	555,586	4.5%
Urban	151,050	1,782,032	8.5%	2,180,760	6.9%
Total	175,933	1,896,312	9.3%	2,736,346	6.4%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 7, persons with disabilities account for approximately 9.6 percent of the population. Of this total, approximately 89.4 percent are residing in urban areas, with the remaining 10.6 percent in rural areas.

Region 7 Persons with Disabilities

Region 7	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	19,492	112,404	17.34%	542,268	3.59%
Urban	163,538	1,765,713	9.26%	2,359,788	6.93%
Total	183,030	1,878,117	9.75%	2,902,056	6.31%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 5,598 persons living with HIV/AIDS in Region 7. The number of people with HIV/AIDS as compared to Region 7's population is 0.3 percent, which the same as the statewide percentage.

Region 7 Persons Living with HIV/AIDS

Region 7	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	118	114,280	0.1%
Urban	5,480	1,782,032	0.3%
Total	5,598	1,896,312	0.3%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Of the population over 18 in Region 7, 8.4 percent are veterans. Region 7 has 7.5 percent of the statewide veteran population.

Region 7 Veteran Population

Region 7	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	11,780	89,628	13.1%	4.6%
Urban	107,404	1,334,620	8.0%	8.1%
Total	119,184	1,424,248	8.4%	7.5%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 7, victims of violence are 0.7 percent of the region's population, compared to statewide average of 0.7 percent. Victims of violence in Region 7 make up 6.2 percent of the statewide total.

Region 7 Victims of Domestic Violence

Region 7	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	507	0.4%	2.5%
Urban	11,069	0.6%	6.7%
Total	11,576	0.6%	6.2%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 7, 84.4 percent of youth aging out of foster care live in urban areas, while the remaining 15.6 percent live in rural areas. Region 7 has 6.2 percent of the statewide number of youth aging out of foster care.

Region 7 Youth Aging out of Foster Care

Region 7	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	12	5.2%
Urban	65	6.4%
Total	77	6.2%

Source: Emancipated Foster Youth, SFY 2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 8,369 public assistance requests seeking assistance in Region 7, which accounted for 8.0 percent of total requests.

Region 7 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	6	99	105
Emergency	53	2,033	2,086
Foreclosure	0	7	7
Homebuyer Assistance	33	555	588
Homebuyer Education	8	663	671
Legal	3	24	27
Other	1	35	36
Rental Assistance	99	2,237	2,336
Repair	40	349	389
Utility	73	1,626	1,699
Weatherization	44	344	388
Weatherization/Repair	2	35	37
Total	362	8,007	8,369

Source: Public Request Inventory, SFY 2015.

REGION 7 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2008-2012 American Community Survey, 72.70 percent of the housing units in rural areas are occupied and 92.0 percent of housing units in urban areas are occupied in Region 7. Urban areas of Region 7 have the second highest urban occupancy rate and rural areas have the second lowest occupancy rate, second only to Region 13. Of the total housing stock, 62.6 percent are one unit; 3.3 percent are two units; 27.6 percent are three or more units; 6.3 are manufactured homes; and the rest are boats and RVs.

Region 7 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	45,264	429,178	474,442
Housing units, 2 units	1,621	23,078	24,699
Housing units, 3 to 4 units	1,432	24,497	25,929
Housing units, 5 to 19 units	1,557	91,764	93,321
Housing units, 20 to 49 units	745	89,233	89,978
Housing units, mobile home	10,703	36,869	47,572
Housing units, other	145	1,284	1,429
Total housing units	61,467	695,903	757,370

Source: 2009-2013 American Community Survey, Table DP04

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional population is 2.1 percent, which is the same as the statewide average of 2.1 percent.

Region 7 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	22,765	59.0%	9.9%
HUD Units	3,494	9.1%	5.4%
Public housing authority Units	3,421	8.9%	6.0%
Section 8 Vouchers	7,527	19.5%	4.7%
USDA Units	1,378	3.6%	5.8
HFC Units*	8,559		
Total	38,594	100%	7.2%

*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.

HOUSING NEED

Of all households in Region 7 with housing problems, 87.3% are cost burdened, 2.6% are substandard and 10.0% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 28.8% of all households.

Urban Region 7 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	61,235	51,160	53,605	17,018	26,845	209,863
Lacking Kitchen and/or Plumbing	1,770	930	1,115	514	1,559	5,895
Overcrowding	6,360	5,900	5,609	2,257	4,015	24,141

Rural Region 7 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	2,830	3,014	2,255	724	1,784	10,607
Lacking Kitchen and/or Plumbing	314	90	143	84	144	782
Overcrowding	210	320	305	158	223	1,216

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 7 has 3.8% of the State's total number of homeowners who received notices of public auction.

Region 7 Notices of Public Auction

Region 7	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	35	306	28	23	392
Urban	477	25	453	260	1,215
Total	512	331	481	283	1,607

Source: RealtyTrac, State Fiscal Year 2015.

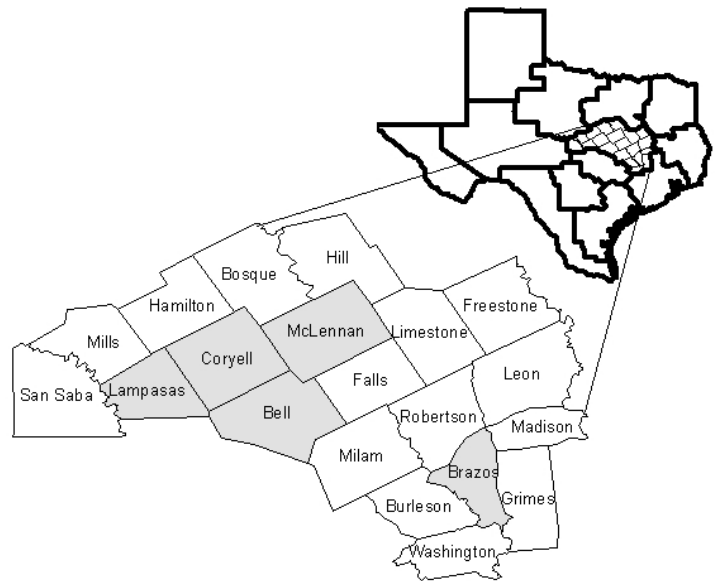
REGION 8

Region 8, located in the center of the State, surrounds the urban areas of Waco, Bryan, College Station, Killeen and Temple. This region has 4.4 percent of the State's population.

Region 8 Population

Region 8	Rural	Urban	Total
Total	282,584	847,005	1,129,589

Source: 2009-13 American Community Survey, Tbl B01003



Approximately 75.0 percent of Region 8 residents live in urban areas. In the map of Region 8 (right), the shaded counties have urban places as defined by Texas Government Code §2306.004(36). While Burleson and Robertson are part of the College Station/Bryan MSA and Falls became part of the Waco MSA, these counties have no urban places and are counted as rural. According to the table below, the percentage of rural residents below 125% of poverty is lower than the percentage of urban residents below 125% of poverty.

Region 8 Persons at 125% of Poverty

Region 8	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	63,866	265,318	24.07%	814,358	7.84%
Urban	207,984	801,870	25.94%	4,998,154	4.16%
Total	271,850	1,067,188	25.47%	5,812,512	4.68%

Source: 2009-2013 American Community Survey, Table S1701.

According to the table below, Region 8's urban areas have a higher percentage of extremely-low income households than the State but the region closely mirrors the State's income distribution in the rural areas.

. Region 8 Household Incomes

Household (HH) Incomes	Urban HH Region 8	% of Urban HH in Region	% of Urban HH In State	Rural Region 8	% of Rural HH in Region	% of Rural HH In State
0 to 30% AMFI	41,035	14.4%	12.6%	12,480	12.4%	12.5%
>30 to 50% AMFI	32,450	11.4%	11.8%	13,290	13.2%	13.2%
>50 to 80% AMFI	45,955	16.2%	16.5%	18,650	18.5%	17.5%
>80 to 100% AMFI	27,440	9.7%	9.5%	9,400	9.3%	9.8%
>100% + AMFI	137,285	48.3%	49.6%	46,950	46.6%	46.9%

Source: 2008-2012 CHAS, Table 8.

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.

ELDERLY PERSONS

Region 8 elderly persons make up 12.0 percent of the region's population, compared to statewide elderly population which makes up 10.7 percent the State's total population. Elderly persons in Region 8 make up 4.9 percent of the statewide total elderly population.

Region 8 Elderly Persons

Region 8	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	51,489	282,584	18.2%	555,586	9.3%
Urban	82,839	847,005	9.8%	2,180,760	3.8%
Total	134,328	1,129,589	12.0%	2,736,346	4.9%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 8, persons with disabilities account for approximately 13.2 percent of the population. Of this total, approximately 67.0 percent are residing in urban areas, with the remaining 33.0 percent in rural areas.

Region 8 Persons with Disabilities

Region 8	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	46,530	267,271	17.41%	542,268	8.58%
Urban	94,476	798,935	11.83%	2,359,788	4.00%
Total	141,006	1,066,206	13.23%	2,902,056	4.86%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 1,772 persons living with HIV/AIDS in Region 8. The number of people with HIV/AIDS as compared to Region 8's population is 0.2 percent, which is lower than the statewide percentage of 0.3 percent.

Region 8 Persons Living with HIV/AIDS

Region 8	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	341	282,584	0.1%
Urban	1,431	847,005	0.2%
Total	1,772	1,129,589	0.2%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Region 8 has the highest percentage of veterans compared to population than any region in Texas. Of the population over 18 in Region 8, 12.7 percent are veterans. Region 8 has 6.6 percent of the statewide veteran population.

Region 8 Veteran Population

Region 8	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	23,174	217,216	10.7%	9.0%
Urban	80,957	600,619	13.5%	6.1%
Total	104,131	817,835	12.7%	6.6%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 8, victims of violence are 0.8 percent of the region's population, compared to a statewide average of 0.7 percent. Victims of violence in Region 8 make up 4.8 percent of the statewide total.

Region 8 Victims of Domestic Violence

Region 8	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	1,242	0.4%	6.2%
Urban	7,665	0.9%	4.6%
Total	8,907	0.8%	4.8%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 8, 82.7 percent of youth aging out of foster care live in urban areas, while the remaining 17.3 percent live in rural areas. Region 8 has 4.2 percent of the statewide number of youth aging out of foster care.

Region 8 Youth Aging out of Foster Care

Region 8	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	9	3.9%
Urban	43	4.2%
Total	52	4.2%

Source: Emancipated Foster Youth, SFY 2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 5,347 public assistance requests seeking assistance in Region 8, which accounted for 5.1 percent of total requests.

Region 8 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	36	37	73
Emergency	133	1,083	1,216
Foreclosure	1	9	10
Homebuyer Assistance	57	174	231
Homebuyer Education	6	113	119
Legal	4	10	14
Other	4	8	12
Rental Assistance	231	1,312	1,543
Repair	131	151	282
Utility	317	1,134	1,451
Weatherization	136	235	371
Weatherization/Repair	16	9	25
Total	1,072	4,275	5,347

Source: Public Request Inventory, SFY 2015.

REGION 8 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2009-2013 American Community Survey, 75.5 percent of the housing units in rural areas are occupied and 85.3 percent of housing units in urban areas are occupied in Region 8. Urban areas of Region 8 have the lowest occupancy rate of any other urban area. Of the total housing stock, 66.7 percent are one unit; 4.4 are two units; 17.6 percent are three or more units; 11.1 percent are manufactured homes; and the rest are boats and RVs.

Region 8 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	95,519	208,486	304,005
Housing units, 2 units	2,339	17,909	20,248
Housing units, 3 to 4 units	2,263	19,668	21,931
Housing units, 5 to 19 units	2,418	37,836	40,254
Housing units, 20 or more units	1,520	16,492	18,012
Housing units, mobile home	27,633	22,967	50,600
Housing units, other	357	243	600
Total housing units	132,049	323,601	455,650

Source: 2009-2013 American Community Survey, Table DP04.

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 2.1 percent.

Region 8 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	7,122	28.8%	3.1%
HUD Units	2,784	11.3%	4.3%
Public housing authority Units	4,176	16.9%	7.4%
Section 8 Vouchers	8,029	32.5%	5.0%
USDA Units	2,579	10.4%	10.8%
HFC Units*	536		
Total	24,690	100%	4.6%

*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

HOUSING NEED

Of all households in Region 8 with housing problems, 87.2% are cost burdened, 3.2% are substandard and 9.5% are overcrowded. Additionally, households at or below 31.5% of AMFI are the largest income category with housing problems, comprising 30.6% of all households.

Urban Region 8 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	29,060	22,435	21,475	6,449	9,204	88,623
Lacking Kitchen and/or Plumbing	939	403	430	400	545	2,725
Overcrowding	1,432	2,054	2,192	778	2,248	8,704

Rural Region 8 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	7,739	6,474	5,036	1,327	2,184	22,760
Lacking Kitchen and/or Plumbing	511	288	353	138	216	1,514
Overcrowding	563	539	847	331	1,108	3,388

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 8 has 3.7% of the State's total number of homeowners who received notices of public auction.

Region 8 Notices of Public Auction

Region 8	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	61	60	49	83	253
Urban	523	1	453	351	1,328
Total	584	61	502	434	1,581

Source: RealtyTrac, State Fiscal Year 2015.

REGION 9

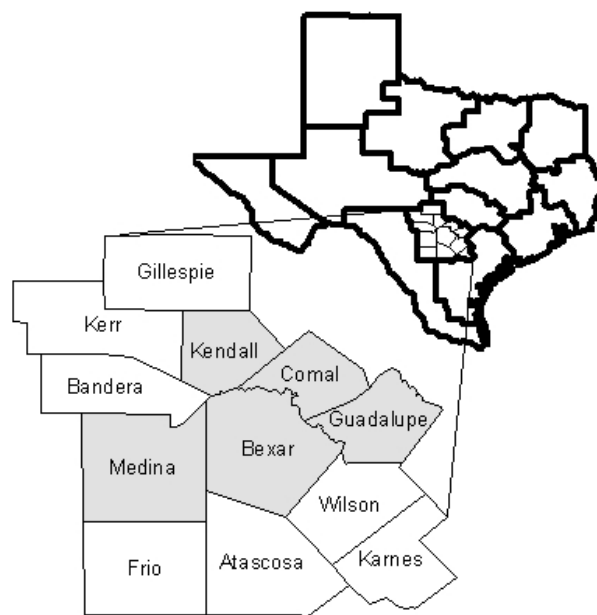
San Antonio is the main metropolitan area in Region 9. This region has 9.0 percent of the State's population.

Region 9 Population

Region 9	Rural	Urban	Total
Total	217,137	2,082,724	2,299,861

Source: 2009-13 American Community Survey, Tbl B01003

Approximately 90.6 percent of Region 9 residents live in urban areas. In the map of Region 9 (above), the shaded counties have urban places as defined by Texas Government Code §2306.004(36). Although Atascosa, Bandera and Wilson are part of San Antonio/New Braunfels MSA, these counties have no urban places and so are counted as rural.



According to the table below, the percentage of total rural residents below 125% of poverty (8.9%) is significantly lower than the percentage of total urban residents below 125% of poverty (91.1%).

Region 9 Persons at 125% of Poverty

Region 9	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	44,016	207,078	21.3%	814,358	5.4%
Urban	449,769	2,038,251	22.1%	4,998,154	9.0%
Region 9 Total	493,785	2,245,329	22.0%	5,812,512	8.5%

Source: 2009-2013 American Community Survey, Table S1701.

According to the table below, Region 9's rural areas have a lower percentage of households in the lower income categories than the State as a whole but the region closely mirrors the State's income distribution in the urban areas.

The Labor Market & Career Information Department of the Texas Workforce Commission reports that the San Antonio region should see employment rise through 2015 for industries that serve the oil and gas supply chain, serve a growing population or are in manufacturing sub-sectors that are growing (Growth Abounds, 2013).

Region 9 Household Incomes

Household (HH) Incomes	Urban HH Region 9	% of Urban HH in Region	% of Urban HH in State	Rural Region 9	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	88,320	12.4%	12.6%	8,725	11.0%	12.5%
>30 to 50% AMFI	81,195	11.4%	11.8%	9,420	11.9%	13.2%
>50 to 80% AMFI	117,545	16.5%	16.5%	13,530	17.1%	17.5%
>80 to 100% AMFI	69,145	9.7%	9.5%	7,450	9.4%	9.8%
>100% + AMFI	355,330	49.9%	49.6%	39,880	50.5%	46.9%

Source: 2008-2012 CHAS, Table 8.

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.

ELDERLY PERSONS

Region 9 elderly persons make up 11.8 percent of the region's population, compared to statewide elderly population which makes up 10.7 percent the State's total population. Elderly persons in Region 9 make up 9.9 percent of the statewide total elderly population.

Region 9 Elderly Persons

Region 9	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	39,894	217,137	18.4%	555,586	7.2%
Urban	231,673	2,082,724	11.1%	2,180,760	10.6%
Total	271,567	2,299,861	11.8%	2,736,346	9.9%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 9, persons with disabilities account for approximately 13.5 percent of the population. Of this total, approximately 88.5 percent are residing in urban areas, with the remaining 11.5 percent in rural areas.

Region 9 Persons with Disabilities

Region 9	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	34,717	208,358	16.66%	542,268	6.40%
Urban	267,473	2,038,303	13.12%	2,359,788	11.33%
Total	302,190	2,246,661	13.45%	2,902,056	10.41%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 6,116 persons living with HIV/AIDS in Region 9. The number of people with HIV/AIDS as compared to Region 9's population is 0.3 percent, which is the same as the statewide percentage.

Region 9 Persons Living with HIV/AIDS

Region 9	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	265	217,137	0.1%
Urban	5,851	2,082,724	0.3%
Total	6,116	2,299,861	0.3%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Region 9 has the second highest percent of veterans compared to regional population. Of the population over 18 in Region 9, 12.5 percent are veterans. Region 9 has 13.3 percent of the statewide veteran population.

Region 9 Veteran Population

Region 9	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	22,134	166,781	13.3%	8.6%
Urban	187,758	1,505,768	12.5%	14.1%
Total	209,892	1,672,549	12.5%	13.3%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

Victims of violence make up 0.7 percent of the region's population, compared to statewide average of 0.7 percent. Victims of violence in Region 9 make up 8.8 percent of the statewide total.

Region 9 Victims of Domestic Violence

Region 9	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	901	0.4%	4.5%
Urban	15,424	0.7%	9.3%
Total	16,325	0.7%	8.8%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 9, 87.5 percent of youth aging out of foster care live in urban areas, while the remaining 12.5 percent live in rural areas. Region 9 has 16.1 percent of the statewide number of youth aging out of foster care.

Region 9 Youth Aging out of Foster Care

Region 9	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	25	10.7%
Urban	175	17.3%
Total	200	16.1%

Source: Emancipated Foster Youth, SFY 2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 6,228 public assistance requests seeking assistance in Region 9, which accounted for 5.1 percent of total requests.

Region 9 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	4	146	150
Emergency	65	1,333	1,398
Foreclosure	0	8	8
Homebuyer Assistance	18	467	485
Homebuyer Education	14	325	339
Legal	2	11	13
Other	0	10	10
Rental Assistance	77	1,533	1,610
Repair	22	400	422
Utility	109	1,322	1,431
Weatherization	24	293	317
Weatherization/Repair	7	38	45
Total	342	5,886	6,228

Source: Public Request Inventory, SFY 2015.

REGION 9 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2009-2013 American Community Survey, 84.5 percent of the housing units in rural areas are occupied and 90.1 percent of housing units in urban areas are occupied in Region 9. Rural areas of Region 9 have the highest rural occupancy rate of the State. Of the total housing stock, 70.1 percent are one unit; 1.8 percent are two units; 20.9 percent are three or more units; 7.1 percent are manufactured homes and the rest are boats and RVs.

Region 9 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	63,645	546,021	609,666
Housing units, 2 units	1,591	13,993	15,584
Housing units, 3 to 4 units	2,108	26,803	28,911
Housing units, 5 to 19 units	2,109	98,238	100,347
Housing units, 20 or more units	1,063	54,679	55,742
Housing units, mobile home	21,935	39,150	61,085
Housing units, other	267	708	975
Total housing units	92,718	779,592	872,310

Source: 2009-2013 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional population is 2.3 percent, which is higher than the statewide average of 2.1 percent.

Region 9 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	20,584	39.9%	9.0%
HUD Units	6,470	12.5%	10.0%
Public housing authority Units	7,138	13.8%	12.6%
Section 8 Vouchers	16,536	32.0%	10.2%
USDA Units	880	1.7%	3.7%
HFC Units*	22,524		
Total	51,608	100%	9.9%

*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.

HOUSING NEED

Of all households in Region 9 with housing problems, 83.6% are cost burdened, 3.7% are substandard and 12.8% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 27.4% of all households.

Urban Region 9 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	57,690	50,155	50,015	16,420	25,540	199,820
Lacking Kitchen and/or Plumbing	1,675	1,630	1,413	785	2,970	8,482
Overcrowding	5,695	6,130	7,050	3,399	7,539	29,813

Rural Region 9 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	5,590	4,659	4,129	1,368	2,275	18,021
Lacking Kitchen and/or Plumbing	339	232	169	130	254	1,133
Overcrowding	462	628	936	253	1,183	3,462

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 9 has 8.9% of the State's total number of homeowners who received notices of public auction.

Region 9 Notices of Public Auction

Region 9	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	72	79	67	66	284
Urban	1,228	47	1,153	1,032	3,460
Total	1,300	126	1,220	1,098	3,744

Source: RealtyTrac, State Fiscal Year 2015.

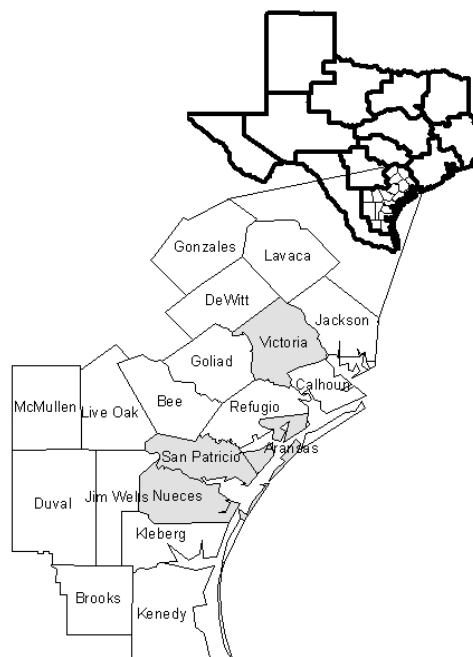
REGION 10

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. This region has 3.0% of the State's population.

Region 10 Population

Region 10	Rural	Urban	Total
Total	247,110	521,162	768,272

Source: 2009-13 American Community Survey, Tbl B01003.



For Region 10, a majority of the population (67.8 percent) live in urban areas. In the map of Region 10 (right), the shaded counties have urban places as defined by Texas Government Code §2306.004(36). Since the latest OMB update, Calhoun County is no longer part of the Victoria MSA. In addition, though Goliad County is part of Victoria MSA, this county has no urban places so it is counted as rural. According to the table below, the percentage of rural residents below 125% of poverty is higher than the percentage of urban residents below 125% of poverty.

Region 10 Persons at 125% of Poverty

Region 10	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	59,339	230,454	25.75%	814,358	7.29%
Urban	123,764	512,016	24.17%	4,998,154	2.48%
Total	183,103	742,470	24.66%	5,812,512	3.15%

Source: 2009-2013 American Community Survey, Table S1701.

According to the table below, Region 10's rural areas have a higher percentage of extremely low-income households than the State.

Region 10 Household Incomes

Household (HH) Incomes	Urban HH Region 10	% of Urban HH in Region	% of Urban HH in State	Rural Region 10	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	21,365	11.5%	12.6%	10,935	13.0%	12.5%
>30 to 50% AMFI	21,090	11.3%	11.8%	11,455	13.6%	13.2%
>50 to 80% AMFI	30,650	16.5%	16.5%	14,548	17.3%	17.5%
>80 to 100% AMFI	16,900	9.1%	9.5%	7,784	9.2%	9.8%
>100% + AMFI	96,280	51.7%	49.6%	39,515	46.9%	46.9%

Source: 2008-2012 CHAS, Table 8.

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.

ELDERLY PERSONS

Region 10 elderly persons make up 13.9 percent of the region's population, compared to statewide elderly population which makes up 10.7 percent the State's total population. Elderly persons in Region 10 make up 3.9 percent of the statewide total elderly population.

Region 10 Elderly Persons

Region 10	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	38,104	247,110	15.4%	555,586	6.9%
Urban	68,885	521,162	13.2%	2,180,760	3.2%
Total	106,989	768,272	13.9%	2,736,346	3.9%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 10, persons with disabilities account for approximately 16.9 percent of the population. Of this total, approximately 65.5 percent are residing in urban areas, with the remaining 34.5 percent in rural areas.

Region 10 Persons with Disabilities

Region 10	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	43,366	232,330	18.67%	542,268	8.00%
Urban	82,493	513,718	16.06%	2,359,788	3.50%
Total	125,859	746,048	16.87%	2,902,056	4.34%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 1,003 persons living with HIV/AIDS in Region 10. The number of people with HIV/AIDS as compared to Region 10's population is 0.1 percent, which is lower than the statewide percentage of 0.3 percent.

Region 10 Persons Living with HIV/AIDS

Region 10	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	211	247,110	0.1%
Urban	792	521,162	0.2%
Total	1,003	768,272	0.1%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Of the population over 18 in Region 10, 10.6 percent are veterans. Region 10 has 3.8 percent of the statewide veteran population.

Region 10 Veteran Population

Region 10	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	17,300	185,642	9.3%	6.7%
Urban	43,175	384,252	11.2%	3.3%
Total	60,475	569,894	10.6%	3.8%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 10, victims of violence make up 0.9 percent of the region's population, compared to statewide average of 0.7 percent. Victims of violence in Region 10 make up 3.8 percent of the statewide total incidents of violence.

Region 10 Victims of Domestic Violence

Region 10	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	1,494	0.6%	7.5%
Urban	5,624	1.1%	3.4%
Total	7,118	0.9%	3.8%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 10, 69.2 percent of youth aging out of foster care live in urban areas, while the remaining 30.8 percent live in rural areas. Region 10 has 3.1 percent of the statewide number of youth aging out of foster care.

Region 10 Youth Aging out of Foster Care

Region 10	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	12	5.2%
Urban	27	2.7%
Total	39	3.1%

Source: Emancipated Foster Youth, SFY 2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 2,495 public assistance requests seeking assistance in Region 10, which accounted for 2.4 percent of total requests.

Region 10 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	26	53	79
Emergency	58	256	314
Foreclosure	0	2	2
Homebuyer Assistance	33	134	167
Homebuyer Education	6	80	86
Legal	1	10	11
Other	1	3	4
Rental Assistance	97	340	437
Repair	77	190	267
Utility	210	606	816
Weatherization	75	214	289
Weatherization/Repair	5	18	23
Total	589	1,906	2,495

Source: Public Request Inventory, SFY 2015.

REGION 10 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, housing needs, and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2009-2013 American Community Survey, 77.6 percent of the housing units in rural areas are occupied and 85.8 percent of housing units in urban areas are occupied in Region 10. Urban areas of Region 10 have the second lowest urban occupancy rate of the State, second only to Region 8. Of the total housing stock, 70.9 percent are one unit; 2.4 percent are two units; 16.5 percent are three or more units; 9.8 percent are manufactured homes; and the rest are boats and RVs.

Region 10 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	80,695	148,365	229,060
Housing units, 2 units	2,213	5,673	7,886
Housing units, 3 to 4 units	2,964	12,013	14,977
Housing units, 5 to 19 units	3,069	22,658	25,727
Housing units, 20 or more units	1,441	11,310	12,751
Housing units, mobile home	17,014	14,673	31,687
Housing units, other	363	811	1,174
Total housing units	107,759	215,503	323,262

Source: 2009-2013 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional population is 2.6 percent, which is higher than the statewide average of 2.1 percent.

Region 10 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	6,100	30.5%	2.7%
HUD Units	3,974	19.9%	6.1%
Public housing authority Units	4,380	21.9%	7.7%
Section 8 Vouchers	4,155	20.8%	2.6%
USDA Units	1,383	6.9%	5.8%
HFC Units*	975		
Total	19,927	100%	3.7%

*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

HOUSING NEED

Of all households in Region 10 with housing problems, 79.7% are cost burdened, 5.8% are substandard and 14.4% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 27.6% of all households.

Urban Region 10 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	13,860	12,970	13,580	4,600	7,365	52,375
Lacking Kitchen and/or Plumbing	1,080	735	430	330	879	3,464
Overcrowding	1,554	1,505	1,685	949	2,469	8,162

Rural Region 10 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	6,150	4,453	2,883	1,235	1,298	16,019
Lacking Kitchen and/or Plumbing	358	432	271	133	326	1,530
Overcrowding	695	638	1,060	370	1,458	4,221

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 10 has 5.0% of the State's total number of homeowners who received notices of public auction.

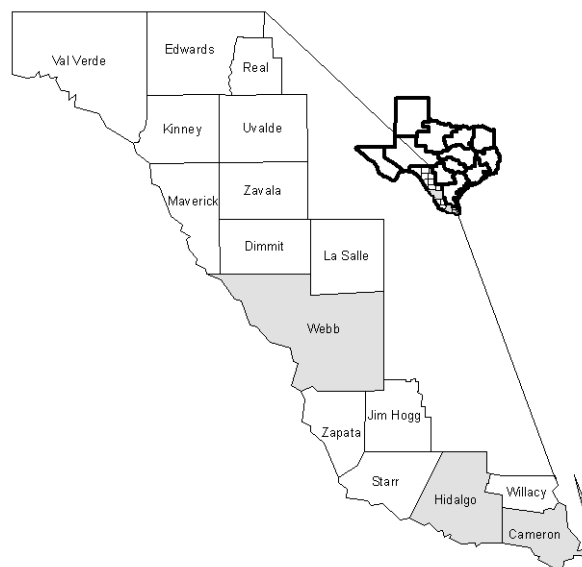
Region 10 Notices of Public Auction

Region 10	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	7	1,212	5	9	1,233
Urban	251	141	228	240	860
Total	258	1,353	233	249	2,093

Source: RealtyTrac, State Fiscal Year 2015.

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. This region has 6.7 percent of the State's population.



Region 11 Population Figures

Region 11	Rural	Urban	Total
Total	271,060	1,456,185	1,727,245

Source: 2009-13 American Community Survey, Tbl B01003

In Region 11, 84.3 percent of the population lives in urban areas. In the map of Region 11 (right), the shaded counties have urban places as defined by Texas Government Code §2306.004(36). The table below shows the number of people at 125% of poverty. Region 11 has the second highest percentage (12.7%) of persons at 125% of poverty in rural places, compared to the regional population. Only Region 2 is higher at 18.7%.

Region 11 Persons at 125% of Poverty

Region 11	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	103,405	263,609	39.23%	814,358	12.70%
Urban	607,247	1,439,636	42.18%	4,998,154	12.15%
Region 11 Total	710,652	1,703,245	41.72%	5,812,512	12.23%

Source: 2009-2013 American Community Survey, Table S1701.

According to the table below, Region 11 has a higher percentage of extremely-low income households than the State as a whole. Correspondingly, Region 11 has a lower percentage of high-income households than the State.

Region 11 Household Incomes

Household (HH) Incomes	Urban HH Region 11	% of Urban HH In Region	% of Urban HH In State	Rural Region 11	% of Rural HH In Region	% of Rural HH In State
0 to 30% AMFI	79,405	19.9%	12.6%	15,145	19.3%	12.5%
>30 to 50% AMFI	62,440	15.7%	11.8%	13,939	17.8%	13.2%
>50 to 80% AMFI	71,795	18.0%	16.5%	14,569	18.6%	17.5%
>80 to 100% AMFI	33,360	8.4%	9.5%	7,499	9.6%	9.8%
>100% + AMFI	151,240	38.0%	49.6%	27,190	34.7%	46.9%

Source: 2008-2012 CHAS, Table 8.

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.

ELDERLY PERSONS

Region 11 elderly persons make up 10.2 percent of the region's population, compared to statewide elderly population which makes up 10.7 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

Region 11	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	33,694	271,060	12.4%	555,586	6.1%
Urban	143,177	1,456,185	9.8%	2,180,760	6.6%
Total	176,871	1,727,245	10.2%	2,736,346	6.5%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 11, persons with disabilities account for approximately 13.7 percent of the population. Of this total, approximately 81.2 percent are residing in urban areas, with the remaining 18.8 percent in rural areas.

Region 11 Persons with Disabilities

Region 11	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	44,126	263,455	16.75%	542,268	8.14%
Urban	190,680	1,445,280	13.19%	2,359,788	8.08%
Total	234,806	1,708,735	13.74%	2,902,056	8.09%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 2,640 persons living with HIV/AIDS in Region 11. The number of people with HIV/AIDS as compared to Region 11's population is 0.1 percent, which is lower than the statewide percentage of 0.3 percent.

Region 11 Persons Living with HIV/AIDS

Region 11	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	311	271,060	0.1%
Urban	2,329	1,456,185	0.1%
Total	2,640	1,727,245	0.1%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Of the population over 18 in Region 11, 4.9 percent are veterans, which is the smallest percentage of veterans compared to regional population out of all 13 regions. Region 11 has 3.5 percent of the statewide veteran population.

Region 11 Veteran Population

Region 11	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	10,602	186,503	5.7%	4.1%
Urban	45,170	960,812	4.7%	3.4%
Total	55,772	1,147,315	4.9%	3.5%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 11, victims of violence comprise 0.7 percent of the region's population, compared to the statewide average of 0.7 percent. Victims of violence in Region 11 make up 6.7 percent of the statewide total.

Region 11 Victims of Domestic Violence

Region 11	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	1,740	0.6%	8.7%
Urban	10,612	0.7%	6.4%
Total	12,352	0.7%	6.7%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 11, 80.6 percent of youth aging out of foster care live in urban areas, while the remaining 19.4 percent live in rural areas. Region 11 has 5.8 percent of the statewide number of youth aging out of foster care.

Region 11 Youth Aging Out of Foster Care

Region 11	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	14	6.0%
Urban	58	5.7%
Total	72	5.8%

Source: Emancipated Foster Youth, SFY 2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 4,369 public assistance requests seeking assistance in Region 11, which accounted for 4.2 percent of total requests.

Region 11 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	40	157	197
Emergency	54	381	435
Foreclosure	0	1	1
Homebuyer Assistance	40	267	307
Homebuyer Education	8	84	92
Legal	0	1	1
Other	1	3	4
Rental Assistance	82	651	733
Repair	74	304	378
Utility	346	1,304	1,650
Weatherization	94	465	559
Weatherization/Repair	1	11	12
Total	740	3,629	4,369

Source: Public Request Inventory, SFY 2015.

REGION 11 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2008-2012 American Community Survey, 79.6 percent of the housing units in rural areas are occupied and 85.9 percent of housing units in urban areas are occupied in Region 11. Of the total housing stock, 68.6 percent are one unit, 3.4 percent are two units, 14.2 percent are three or more units, 13.3 percent are manufactured homes and the rest are boats and RVs.

Region 11 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	73,575	308,863	382,438
Housing units, 2 units	3,273	15,444	18,717
Housing units, 3 to 4 units	3,499	24,474	27,973
Housing units, 5 to 19 units	2,486	29,895	32,381
Housing units, 20 or more units	1,088	17,612	18,700
Housing units, mobile home	13,977	60,424	74,401
Housing units, other	156	2,905	3,061
Total housing units	98,054	459,617	557,671

Source: 2009-2013 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional population is 2.3 percent, which is higher than the statewide average of 2.1 percent.

Region 11 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	12,111	31.3%	5.3%
HUD Units	3,793	9.8%	5.8%
Public housing authority Units	6,174	16.0%	10.9%
Section 8 Vouchers	14,499	37.5%	9.0%
USDA Units	2,093	5.4%	8.7%
HFC Units*	323		
Total	38,670	100%	7.2%

*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.

HOUSING NEED

Of all households in Region 11 with housing problems, 64.8% are cost burdened, 6.5% are substandard and 28.7% are overcrowded. Compared to other regions, Region 11 has both the highest percentage of households that are overcrowded and the lowest percentage of households that are cost burdened. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 36.8% of all households.

Urban Region 11 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	41,285	29,130	22,630	6,545	9,830	109,420
Lacking Kitchen and/or Plumbing	5,035	2,375	1,555	385	1,335	10,696
Overcrowding	15,590	9,955	10,190	4,120	10,020	49,875

Rural Region 11 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	7,929	4,645	3,654	849	1,263	18,340
Lacking Kitchen and/or Plumbing	989	629	243	81	154	2,107
Overcrowding	1,648	1,474	1,376	551	1,551	6,600

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 11 has 11.4% of the State's total number of homeowners who received notices of public auction.

Region 11 Notices of Public Auction

Region 11	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	9	3,104	3	10	3,126
Urban	681	-	595	420	1,696
Total	690	3,104	598	430	4,822

Source: RealtyTrac, State Fiscal Year 2015.

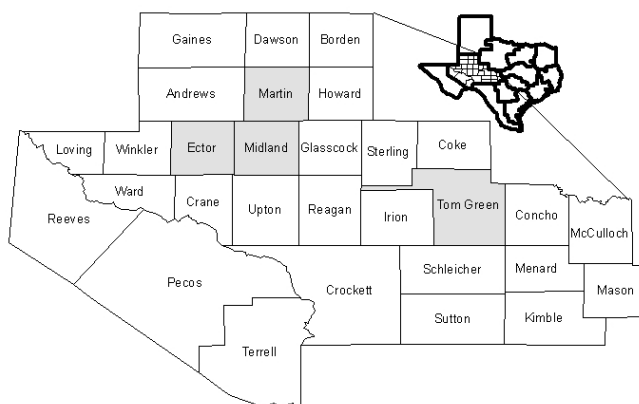
REGION 12

Region 12 in west Texas surrounds the urban areas of Odessa-Midland and San Angelo. This region has 2.3 percent of the State's population.

Region 12 Population

Region 12	Rural	Urban	Total
Total	184,730	400,756	585,486

Source: 2009-13 American Community Survey, Tbl B01003



Approximately 68.5 percent of Region 12 residents live in urban areas. In the map of Region 12 (right), the shaded counties have urban places as defined by Texas Government Code §2306.004(36). In the latest OMB update, Martin became part of the Midland MSA. Even though Irion is part of the San Angelo MSA, the county has no urban places and is counted as rural. The table below depicts the number of individuals living below 125% of the poverty line in Region 12. Compared to the State as a whole, Region 12 has the lowest share (1.9%) of persons living at 125% poverty out of all 13 regions.

Region 12 Persons at 125% of Poverty

Region 12	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	36,414	169,618	21.47%	814,358	4.47%
Urban	73,343	390,508	18.78%	4,998,154	1.47%
Region 12 Total	109,757	560,126	19.60%	5,812,512	1.89%

Source: 2009-2013 American Community Survey, Table S1701.

The table below depicts the income breakdown of Region 12. Region 12 has a lower percentage of extremely low-income households and a higher percentage of high-income households than the State as a whole.

Region 12 Household Incomes

Household (HH) Incomes	Urban HH Region 12	% of Urban HH in Region	% of Urban HH in State	Rural Region 12	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	14,309	10.1%	12.6%	6,921	11.4%	12.5%
>30 to 50% AMFI	17,170	12.1%	11.8%	7,702	12.7%	13.2%
>50 to 80% AMFI	24,625	17.3%	16.5%	10,058	16.6%	17.5%
>80 to 100% AMFI	14,535	10.2%	9.5%	5,646	9.3%	9.8%
>100% + AMFI	71,645	50.4%	49.6%	30,244	49.9%	46.9%

Source: 2008-2012 CHAS, Table 8.

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.

ELDERLY PERSONS

Region 12 elderly persons make up 12.2 percent of the region's population, compared to statewide elderly population which makes up 10.7 percent the State's total population. Of the total elderly population in Texas, only 2.6 percent live in Region 12; all the other regions have a higher percentage of the statewide elderly population.

Region 12 Elderly Persons

Region 12	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	25,812	184,730	14.0%	555,586	4.7%
Urban	45,722	400,756	11.4%	2,180,760	2.1%
Total	71,534	585,486	12.2%	2,736,346	2.6%

Source: 2009-2013 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 12, persons with disabilities account for approximately 13.8 percent of the population. Of this total, approximately 67.0 percent are residing in urban areas, with the remaining 33.0 percent in rural areas.

Region 12 Persons with Disabilities

Region 12	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	25,576	170,238	15.02%	542,268	4.72%
Urban	52,033	392,925	13.24%	2,359,788	2.20%
Total	77,609	563,163	13.78%	2,902,056	2.67%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 752 persons living with HIV/AIDS in Region 12. The number of people with HIV/AIDS as compared to Region 12's population is 0.1 percent, which is lower than the statewide percentage of 0.3 percent.

Region 12 Persons Living with HIV/AIDS

Region 12	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	295	184,730	0.2%
Urban	457	400,756	0.1%
Total	752	585,486	0.1%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Of the population over 18 in Region 12, 8.5 percent are veterans. Region 12 has 2.3 percent of the statewide veteran population. Region 12 has the lowest percentage of veterans compared to the statewide population of veterans.

Region 12 Veteran Population

Region 12	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	11,009	137,390	8.0%	4.3%
Urban	25,102	288,448	8.7%	1.9%
Total	36,111	425,838	8.5%	2.3%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 12, victims of violence comprise 0.9 percent of the region's population, compared to the statewide average of 0.7 percent. Victims of violence in Region 12 make up 2.9 percent of the statewide total.

Region 12 Victims of Domestic Violence

Region 12	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	1,277	0.7%	6.4%
Urban	4,090	1.0%	2.5%
Total	5,367	0.9%	2.9%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 12, 70.3 percent of youth aging out of foster care live in urban areas, while the remaining 29.7 percent live in rural areas. Region 12 has 3.0 percent of the statewide population of youth aging out of foster care.

Region 12 Youth Aging out of Foster Care

Region 12	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	11	4.7%
Urban	26	2.6%
Total	37	3.0%

Source: Emancipated Foster Youth, SFY 2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 1,571 public assistance requests seeking assistance in Region 12, which accounted for 1.5 percent of total requests.

Region 12 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	14	29	43
Emergency	41	238	279
Foreclosure	0	1	1
Homebuyer Assistance	28	100	128
Homebuyer Education	4	45	49
Legal	0	7	7
Other	1	1	2
Rental Assistance	63	293	356
Repair	67	63	130
Utility	143	325	468
Weatherization	37	68	105
Weatherization/Repair	1	2	3
Total	399	1,172	1,571

Source: Public Request Inventory, SFY 2015.

REGION 12 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2009-2013 American Community Survey, 78.0 percent of the housing units in rural areas are occupied and 91.9 percent of housing units in urban areas are occupied in Region 12. Of the total housing stock, 71.2 percent are one unit, 1.6 percent are two units, 14.9 percent are three or more units, 12.0 percent are manufactured homes and the rest are boats and RVs.

Region 12 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	60,235	103,380	163,615
Housing units, 2 units	1,456	2,334	3,790
Housing units, 3 to 4 units	1,318	3,002	4,320
Housing units, 5 to 19 units	1,875	19,048	20,923
Housing units, 20 to 49 units	1,145	7,877	9,022
Housing units, mobile home	10,560	17,029	27,589
Housing units, other	163	505	668
Total housing units	76,752	153,175	229,927

Source: 2009-2013 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional population is 1.9 percent, which is lower than the statewide average of 2.1 percent.

Region 12 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	3,496	32.3%	1.5%
HUD Units	2,428	22.5%	3.7%
Public housing authority Units	1,231	11.4%	2.2%
Section 8 Vouchers	3,060	28.3%	1.9%
USDA Units	592	5.5%	2.5%
HFC Units*	26		
Total	10,807	100%	2.0%

*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.

HOUSING NEED

Of all households in Region 12 with housing problems, 78.4% are cost burdened, 7.3% are substandard and 14.3% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 28.0% of all households.

Urban Region 12 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	9,589	9,324	7,530	2,065	2,690	31,198
Lacking Kitchen and/or Plumbing	550	790	540	89	830	2,811
Overcrowding	759	969	1,005	865	1,405	5,003

Rural Region 12 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	3,787	2,852	1,998	525	502	9,664
Lacking Kitchen and/or Plumbing	162	306	91	127	318	1,016
Overcrowding	422	426	428	318	862	2,456

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 12 has 9.1% of the State's total number of homeowners who received notices of public auction.

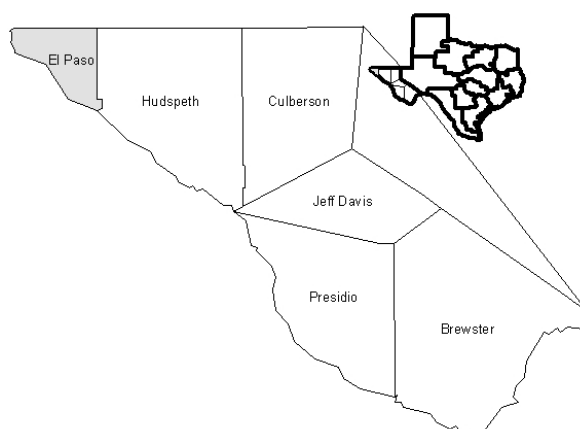
Region 12 Notices of Public Auction

Region 12	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	5	2,457	4	4	2,470
Urban	118	1,014	111	107	1,350
Total	123	3,471	115	111	3,820

Source: RealtyTrac, State Fiscal Year 2015.

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. This region has 3.3 percent of the State's population.



Region 13 Population

Region 13	Rural	Urban	Total
Total	24,873	813,015	837,888

Source: 2009-13 American Community Survey, Tbl B01003.

Approximately 97.0 percent of Region 13 residents live in the urban area of El Paso. In the map of Region 13 (above), the shaded county has urban places as defined by Texas Government Code §2306.004(36). The latest OMB update shows that Hudspeth is now part of the El Paso MSA, but the county has no urban places so it is counted as rural. The table below depicts the number of individuals living below 125% of the poverty line in Region 13. Of the 257,824 individuals living below 125% of poverty, approximately 97.3 percent live in urban areas and the remaining 2.7 percent live in rural areas. Region 13 has the greatest difference between urban and rural populations within a region out of all 13 regions. Compared to the State as a whole, Region 13 has the lowest share (0.9%) of the number of persons in rural areas living at 125% poverty out of all 13 regions.

Region 13 Persons at 125% of Poverty

Region 13	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional Percent of Statewide Persons at 125% Poverty
Rural	7,059	24,383	28.95%	814,358	0.87%
Urban	250,765	798,598	31.40%	4,998,154	5.02%
Total	257,824	822,981	31.33%	5,812,512	4.44%

Source: 2009-2013 American Community Survey, Table S1701.

The table below depicts the income breakdown of Region 13. Region 13 has a higher percentage of extremely low-income households and a lower percentage of high-income households than the State as a whole. The Labor Market & Career Information Department of the Texas Workforce Commission reports that population growth and transportation growth are the key drivers for Region 13, which should experience a 4.1% growth rate from 2012 to 2015 in employment across all industries. (Growth Abounds, 2013).

Region 13 Household Incomes

Household (HH) Incomes	Urban HH Region 13	% of Urban HH in Region	% of Urban HH in State	Rural Region 13	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	35,220	14.0%	12.6%	1,455	15.2%	12.5%
>30 to 50% AMFI	35,100	13.9%	11.8%	1,405	14.6%	13.2%
>50 to 80% AMFI	44,615	17.7%	16.5%	1,820	19.0%	17.5%
>80 to 100% AMFI	24,570	9.7%	9.5%	924	9.6%	9.8%
<100% + AMFI	112,920	44.7%	49.6%	3,995	41.6%	46.9%

Source: 2008-2012 CHAS, Table 1.

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.

ELDERLY PERSONS

Region 13 elderly persons make up 10.7 percent of the region's population, compared to the statewide elderly population of 10.7 percent. Elderly persons in Region 13 make up 3.3 percent of the statewide total elderly population.

Region 13 Elderly Persons

Region 13	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	4,614	24,873	18.6%	555,586	0.8%
Urban	85,040	813,015	10.5%	2,180,760	3.9%
Total	89,654	837,888	10.7%	2,736,346	3.3%

Source: 2009-2012 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2009-2013 American Community Survey, of the total population in Region 13, persons with disabilities account for approximately 12.6 percent of the population. Of this total, approximately 94.6 percent are residing in urban areas, with the remaining 5.4 percent in rural areas.

Region 13 Persons with Disabilities

Region 13	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	5,561	24,432	22.76%	542,268	1.03%
Urban	96,603	789,174	12.24%	2,359,788	4.09%
Total	102,164	813,606	12.56%	2,902,056	3.52%

Source: 2009-2013 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 2,050 persons living with HIV/AIDS in Region 13. The number of people with HIV/AIDS as compared to Region 13's population is 0.2 percent, which is lower than the statewide percentage of 0.3 percent.

Region 13 Persons Living with HIV/AIDS

Region 13	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	20	24,873	0.1%
Urban	2,030	813,015	0.2%
Total	2,050	837,888	0.2%

Source: Texas Department of State Health Services, 2014 HIV Surveillance Report.

VETERANS

Of the population over 18 in Region 13, 8.9 percent are veterans. Region 13 has 3.2 percent of the statewide veteran population.

Region 13 Veteran Population

Region 13	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	1,656	18,833	8.8%	0.6%
Urban	49,258	556,315	8.9%	3.7%
Total	50,914	575,148	8.9%	3.2%

Source: 2009-2013 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 13, victims of violence comprise 0.7 percent of the region's population, compared to the statewide average of 0.7 percent. Victims of violence in Region 13 make up 3.0 percent of the statewide total.

Region 13 Victims of Domestic Violence

Region 13	Total Victims	Percent of Victims to Regional Population	Regional Percent of Statewide Victims of Violence
Rural	51	0.2%	0.3%
Urban	5,505	0.7%	3.3%
Total	5,556	0.7%	3.0%

Source: 2014 Uniform Crime Reporting, Texas Department of Public Safety.

YOUTH AGING OUT OF FOSTER CARE

In Region 13, 94.4 percent of youth aging out of foster care live in urban areas, while the remaining 5.6 percent live in rural areas.. Region 13 has the lowest number of youth aging out of foster care compared to the other regions.

Region 13 Youth Aging out of Foster Care

Region 13	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	1	0.4%
Urban	17	1.7%
Total	18	1.4%

Source: Emancipated Foster Youth, SFY 2014, Department of Family and Protective Services.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 1,273 public assistance requests seeking assistance Region 13, which accounted for 1.2 percent of total requests.

Region 13 Public Assistance Request Inventory

Types of Requests	Rural	Urban	Total
Barrier Removal	3	52	55
Emergency	8	279	287
Foreclosure	0	1	1
Homebuyer Assistance	10	87	97
Homebuyer Education	6	58	64
Legal	2	2	4
Other	0	0	0
Rental Assistance	6	337	343
Repair	8	98	106
Utility	15	212	227
Weatherization	4	78	82
Weatherization/Repair	0	7	7
Total	62	1,211	1,273

Source: Public Request Inventory, SFY 2015.

REGION 13 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2008-2012 American Community Survey, 71.6 percent of the housing units in rural areas are occupied and 93.1 percent of housing units in urban areas are occupied in Region 13. Urban areas of Region 13 have the highest occupancy rate of any other urban area and rural areas of Region 13 have the lowest occupancy rate of any other rural area in the State. Of the total housing stock, 69.6 percent are one unit, 3.1 percent are two units, 20.3 percent are three or more units, 6.9 percent are manufactured homes and the rest are boats and RVs.

Region 13 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	9,136	185,807	194,943
Housing units, 2 units	542	8,162	8,704
Housing units, 3 to 4 units	218	12,349	12,567
Housing units, 5 to 19 units	200	26,171	26,371
Housing units, 20 or more units	164	17,690	17,854
Housing units, mobile home	2,899	16,370	19,269
Housing units, other	46	220	266
Total housing units	13,205	266,769	279,974

Source: 2008-2013 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional population is 2.6 percent, which is higher than the statewide average of 2.0 percent.

Region 13 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	6,324	29.9%	2.8%
HUD Units	1,994	9.4%	3.1%
Public housing authority Units	6,303	29.8%	11.1%
Section 8 Vouchers	6,267	29.6%	3.9%
USDA Units	255	1.2%	1.1%
HFC Units*	1,054	-	-
Total	21,143	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.

HOUSING NEED

Of all households in Region 13 with housing problems, 78.8% are cost burdened, 3.8% are substandard and 17.4% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 27.8% of all households.

Urban Region 13 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	22,235	19,110	18,985	5,455	8,470	74,255
Lacking Kitchen and/or Plumbing	805	745	635	300	710	3,208
Overcrowding	3,205	3,530	3,920	1,825	4,355	16,835

Rural Region 13 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	657	404	293	142	235	1,731
Lacking Kitchen and/or Plumbing	53	39	35	29	65	234
Overcrowding	113	74	94	4	166	451

Source: 2008-2012 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 13 has 2.5% of the State's total number of homeowners who received notices of public auction.

Region 13 Notices of Public Auction

Region 13	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	-	3	-	-	3
Urban	336	2	389	335	1,062
Total	336	5	389	335	1,065

Source: RealtyTrac, State Fiscal Year 2015

SECTION 3: ANNUAL LOW-INCOME HOUSING REPORT

The Annual Report required by Texas Government Code §2306.072 includes the following sections:

- The Operating and Financial Statements for the Texas Department of Housing and Community Affairs (“TDHCA” or “Department”) for State Fiscal Year 2015
- *Statement of Activities*: Describes TDHCA activities during the preceding year that served to address housing and community service needs
- *Statement of Activities by Region*: Describes TDHCA activities by region
- *Housing Sponsor Report*: Describes 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

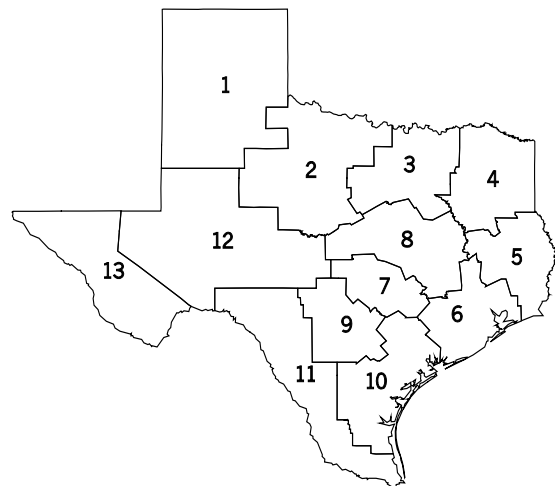
TDHCA’s Operating Budgets and Basic Financial Statements are prepared and maintained by the Financial Administration Division. For copies of these reports, visit: <http://www.tdhca.state.tx.us/finan.htm>.

STATEMENT OF ACTIVITIES

The Department has numerous housing 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 and allocation 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.



TDHCA State Service Regions

FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY ACTIVITY AND PROGRAM

For the state and for each region, a description of funding allocations, amounts committed, target numbers and actual number of persons or households served for each program is provided. In addition, summary performance information and data on the following activity subcategories is provided.

Renter

- New construction activities support multifamily development.
- Rehabilitation construction activities support the acquisition, rehabilitation and preservation of multifamily units.
- Tenant-based assistance supports low-income Texans through direct rental payment assistance.

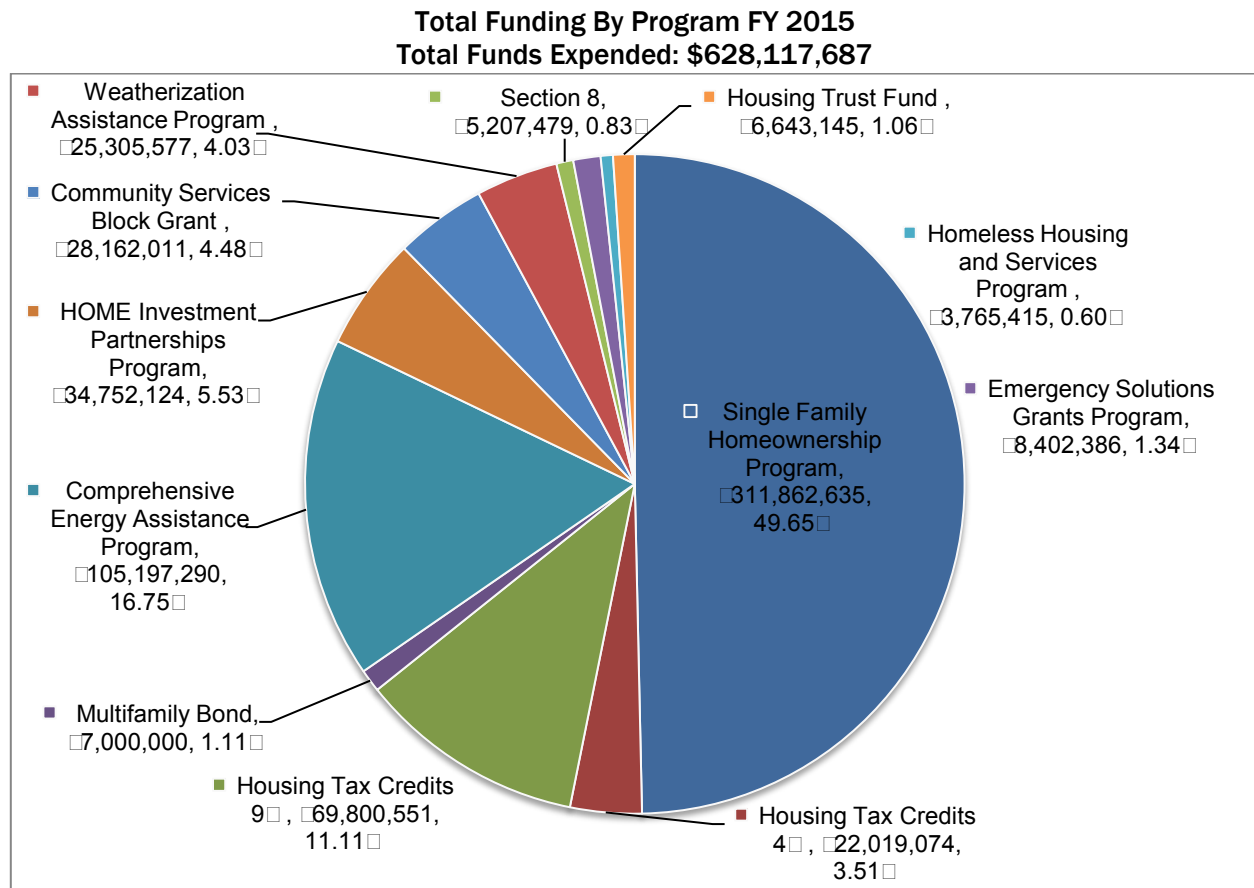
Owner

- 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. This also includes accessibility modifications made for homeowners.
- Community services include supportive services, energy assistance and homeless assistance activities.

In FY 2015, TDHCA committed \$628,117,687 in total funds and tax credit assistance. The vast majority of funding and assistance derives from federal or federally-authorized resources or market-

based loan mechanisms. Just over one percent (Housing Trust Fund and the Homeless Housing and Services Program) came from state sources.

TDHCA committed funding and assistance for activities that predominantly benefited extremely low-, very low- and low-income individuals. The chart below displays the distribution of this funding and assistance by program.



Activity	Funds	Percent
Single Family Homeownership Program	\$311,862,635	49.65%
Housing Tax Credits 4%	\$22,019,074	3.51%
Housing Tax Credits 9%	\$69,800,551	11.11%
Multifamily Bond	\$7,000,000	1.11%
Comprehensive Energy Assistance Program	\$105,197,290	16.75%
HOME Investment Partnerships Program	\$34,752,124	5.53%
Community Services Block Grant	\$28,162,011	4.48%
Weatherization Assistance Program	\$25,305,577	4.03%
Section 8	\$5,207,479	0.83%
Emergency Solutions Grants Program	\$8,402,386	1.34%
Homeless Housing and Services Program	\$3,765,415	0.60%
Housing Trust Fund	\$6,643,145	1.06%
Total	\$628,117,687	100.00%

FUNDING AND HOUSEHOLDS/PERSONS SERVED BY ACTIVITY, FY 2015, ALL ACTIVITIES

Activity	Expended Funds	Number of Households/ Individuals Served	% of Total Committed Funds	% of Total Households/ Individuals Served
Rental Assistance	\$6,543,581	1,151	1.0%	0.2%
Renter New Construction	\$97,012,746	7,710	15.4%	1.4%
Renter Rehab Construction	\$30,017,660	4,308	4.8%	0.8%
Owner Financing & Down Payment	\$317,344,014	2,835	50.5%	0.5%
Owner Rehabilitation Assistance	\$6,367,007	286	1.0%	0.1%
Homeless Services	\$130,502,867	155,992	20.8%	27.8%
Energy Related Services	\$12,167,801	65,417	1.9%	11.6%
Supportive Services	\$28,162,011	324,398	4.5%	57.7%
Total	\$628,117,687	562,097	100.0%	100.0%

FUNDING AND HOUSEHOLDS (HH) SERVED/UNITS BY HOUSING PROGRAM, FY 2015

Program	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds ¹	HOME HH ¹	HTF Funds ¹	HTF HH ¹	9% HTC Funds ²	9% HTC HH ²	4% HTC Funds ²	4% HTC HH ²	MF Bond Funds	MF Bond HH	Section 8 Funds ³	Section 8 HH ³
Rental Assistance	\$0	0	\$1,336,102	307	\$0	0	\$0	0	\$0	0	\$0	0	\$5,207,479	844
Rental New ⁴ Construction	\$0	0	\$25,320,000	319	\$0	0	\$60,808,756	4,992	\$10,883,990	2,399	\$0	0	\$0	0
Rental ⁴ Rehabilitation	\$0	0	\$2,866,000	65	\$24,781	2	\$8,991,795	1,424	\$11,135,084	2,717	\$7,000,000	100	\$0	0
Owner Financing & Down Pmt. ⁵	\$311,862,635	2,687	\$1,037,198	34	\$4,444,182	114	\$0	0	\$0	0	\$0	0	\$0	0
Owner Rehab. Asst ⁶	\$0	0	\$4,192,824	172	\$2,174,183	114	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$311,862,635	2,687	\$34,752,124	897	\$6,643,145	230	\$69,800,551	6,416	\$22,019,074	5,116	\$7,000,000	100	\$5,207,479	844

¹HOME and HTF funds and households reflect activities closed during the fiscal year and associated total funding for each household served through closed activities. These figures do not correspond to performance measures submitted to the Legislative Budget Board ("LBB") for these programs nor the annual amount of funds available in those years.

²9% HTCs refer to the annual per capita allocation of tax credits Texas receives from the IRS. In addition to this annual per capital allocation, the IRS allows states to provide tax credits with a somewhat lesser value to developments financed with Private Activity Bonds ("PAB"s) if the PAB developments meet HTC requirements; these tax credits are referred to as 4% HTCs.

³Does not include funding and households served through Project Access. In SFY 2015, TDHCA served 68 households through Project Access vouchers, totaling \$279,657 in rental assistance. The households served data includes all households that were issued a voucher.

⁴Most HOME-funded rental development units also receive tax credits so are also reflected in the 9% HTC or 4% HTC households served. All MF Bond funded units also receive tax credit and are also included in the 4% HTC household served.

⁵In additional to traditional down payment assistance, HOME data under this category include Contract for Deed Assistance, homebuyer assistance combined with barrier removal, and single-family development. Likewise HTF data under this category include the Texas Bootstrap Program.

⁶HTF data under this category include the Amy Young Barrier Removal Program.

Funding and Households (HH) /Individuals (IND) Served by Community Affairs Programs, FY 2015

Program	ESG ¹ Funds	ESG ¹ Ind	CSBG ^{1,2} Funds	CSBG ^{1, 2, 3} Ind	CEAP ² Funds	CEAP ² HH	WAP ² Funds	WAP HH	HHSP Funds	HHSP Ind ⁴
Homeless Services	\$0	0	\$0	0	\$105,197,290	151,481	\$25,305,577	4,511	\$0	0
Energy Related	\$8,402,386	53,140	\$0	0	\$0	0	\$0	0	\$3,765,415	12,277
Supportive Services	\$0	0	\$28,162,011	324,398	\$0	0	\$0	0	\$0	0
Total	\$8,402,386	53,140	\$28,162,011	324,398	\$105,197,290	151,481	\$25,305,577	4,511	\$3,765,415	12,277

¹For these programs, funds and households served reflect different 12-month periods.

²ESG, CSBG and HHSP programs represent individuals served, not households.

³Reflects persons served directly through CSBG funding. This figure does not correspond to performance measures submitted to the Legislative Budget Board (LBB) for this program; the performance measures include persons that indirectly benefitted from CSBG support of poverty programs.

⁴ This figure does not correspond to performance measures submitted to the LBB for this program due to timing issues, performance measures do not include the final month of FY 2015.

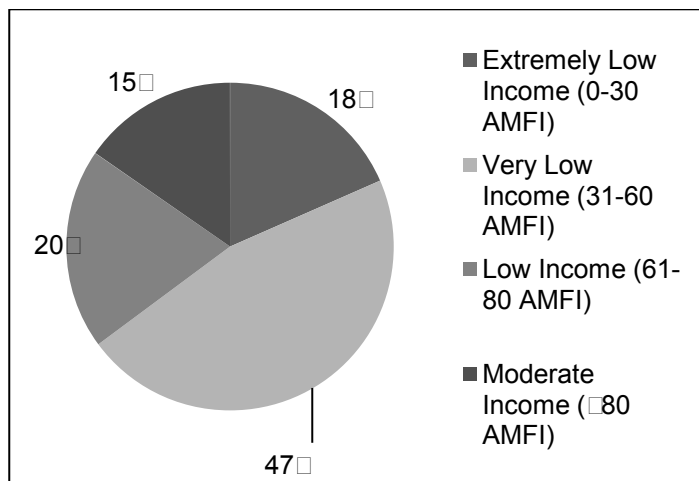
FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY INCOME GROUP

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 60% AMFI
- Low Income (LI): 61% to 80% AMFI
- Moderate Income and Up (MI): >80% AMFI

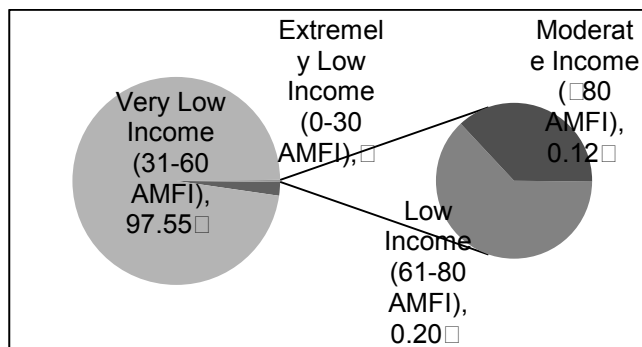
The vast majority of households and individuals served through CEAP, WAP, HHSP, and ESG earn less than 30 percent of the AMFI. However, tracking of assistance from CEAP and WAP are based on poverty guidelines, which do not translate easily to an AMFI equivalent. For conservative reporting purposes, assistance in these programs is reported in the VLI category.

Total Funding by Income Level, FY 2015



Type	Percent
Extremely Low Income (0-30 AMFI)	18%
Very Low Income (30-60 AMFI)	46%
Low Income (61-80 AMFI)	20%
Moderate Income (>80 AMFI)	15%

Total Households and Individuals Served by Income Level, FY 2015



Type	Percent
Extremely Low Income (0-30 AMFI)	2.13%
Very Low Income (31-60 AMFI)	97.55%
Low Income (61-80 AMFI)	0.20%
Moderate Income (>80 AMFI)	0.12%

FUNDING AND HOUSEHOLDS/PERSONS SERVED BY INCOME CATEGORY, FY 2015**All Activities**

Activity	Expended Funds	Number of Households/ Individuals Served	% of Total Expended Funds	% of Total Households/ Individuals Served
Extremely Low Income (0-30 AMFI)	\$115,560,496	11,999	18%	2.13%
Very Low Income (31-60 AMFI)	\$291,676,905	548,323	46%	97.55%
Low Income (61-80 AMFI)	\$124,444,581	1,116	20%	0.20%
Moderate Income (>80 AMFI)	\$96,435,705	659	15%	0.12%
Total	\$628,117,687	562,097	100%	100.00%

Housing Activities

Income	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC 9% HH	HTC Funds 4%	HTC 4% HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$3,454,610	47	\$23,816,255	585	\$1,192,445	53	\$60,884,616	5,601	\$21,847,765	5,080	\$0	0	\$4,364,806	633
Very Low Income (31-60 AMFI)	\$92,962,551	993	\$6,178,829	249	\$4,838,901	150	\$8,915,935	815	\$171,309	36	\$7,000,000	100	\$776,701	173
Low Income (61-80 AMFI)	\$119,009,768	989	\$4,757,040	63	\$611,800	27	\$0	0	\$0	0	\$0	0	\$65,972	37
Moderate Income (>80 AMFI)	\$96,435,705	658	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1
Total	\$311,862,635	2,687	\$34,752,124	897	\$6,643,145	230	\$69,800,551	6,416	\$22,019,074	5,116	7,000,000	100	\$5,207,479	844

Community Affairs Activities

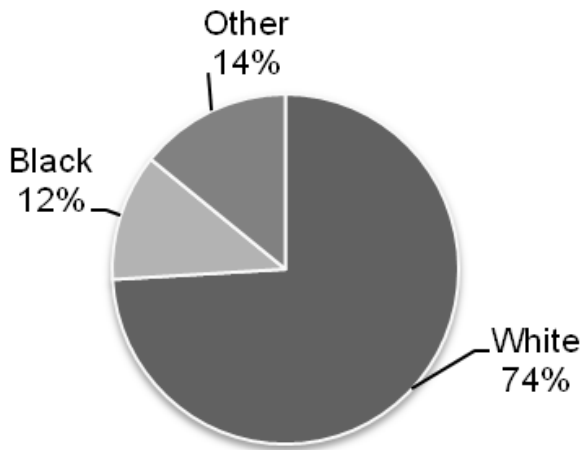
Income	ESG* Funds	ESG* Ind	CSBG* Funds	CSBG* Ind	CEAP Funds	CEAP HH	WAP Funds	WAP HH	HHSP* Funds	HHSP* Ind
Extremely Low Income (0-30 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-		
Very Low Income (31-60 AMFI)	\$8,402,386	53,140	\$28,162,011	324,398	\$105,197,290	151,481	\$25,305,577	4,511	\$3,765,415	12,277
Low Income (61-80 AMFI)	\$0	-	\$0	-	\$0	-				
Moderate Income (>80 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-		
Total	\$8,402,386	53,140	\$28,162,011	324,398	\$105,197,290	151,481	\$25,305,577	4,511	3,765,415	12,277

*These programs report by individuals served rather than households served.

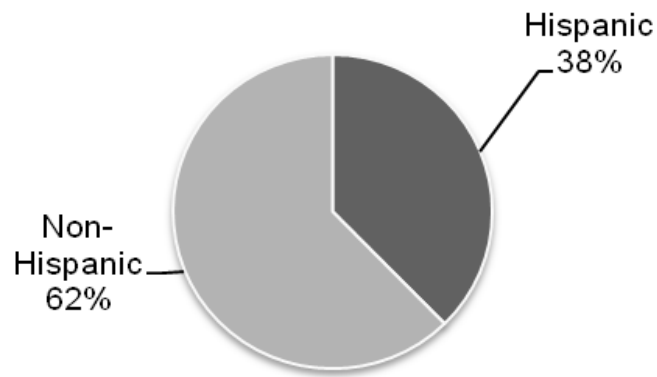
RACIAL AND ETHNIC COMPOSITION OF HOUSEHOLDS RECEIVING ASSISTANCE

As required by Texas Government Code §2306.072(C)(5), 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 Bureau. 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



Ethnic Composition of the State of Texas



Race	People	Percent
White	19,075,100	74.4%
Black	3,030,970	11.8%
Other	3,533,303	13.8%
Total	25,639,373	100.0%

Ethnicity	People	Percent
Non-Hispanic	15,921,646	62.1%
Hispanic	9,717,727	37.9%
Total	25,639,373	100.0%

Source: 2009-2013 American Community Survey, Table DP05.

HOUSING PROGRAMS

Racial and ethnic data on housing programs is presented below using two general categories: Renter Programs and Homeowner Programs.

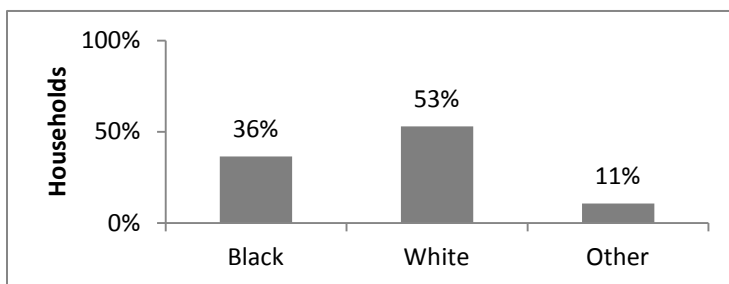
RENTER PROGRAMS

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 or assisted multifamily properties.

Multifamily properties have received funding or assistance through one or more of the following TDHCA programs: the Housing Tax Credit ("HTC") Program, Housing Trust Fund ("HTF"), HOME Investment Partnership Program ("HOME") and Multifamily Bond ("MFB") Program. Data for these programs is collected from the Housing Sponsor Report, which is gathered each year from TDHCA-funded and assisted 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 2015 report is a snapshot of property characteristics on December 31, 2014.

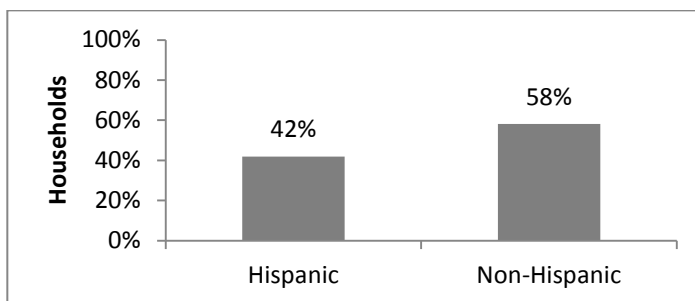
It should be noted that the Housing Sponsor Report is based on voluntary data and does not report on or represent all units financed or assisted by TDHCA. As a result, the following charts present a picture of race and ethnicity based on a subset of the properties and may not represent actual percentages.

Racial Composition – TDHCA-Assisted Renter Households



Race	Households (HH)	Percent
Black	152,650	36%
White	221,670	53%
Other	44,513	11%

Ethnic Composition – TDHCA-Assisted Renter Households

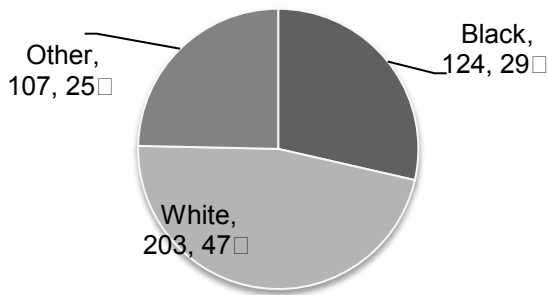


Ethnicity	Households	Percent
Hispanic	176,269	42%
Non-Hispanic	245,089	58%

HOMEOWNER PROGRAMS

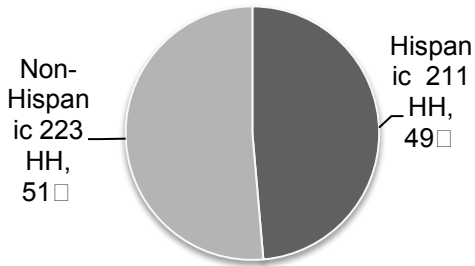
The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA homeowner programs. TDHCA homeowner assistance comes through several divisions: The Texas Homeownership Division, the HOME Division and the Office of Colonia Initiatives. The Texas Homeownership Division offers the First Time Homebuyer Program, My First Texas Home and Mortgage Credit Certificate Programs. The HOME Division offers HOME Homeowner Rehabilitation Program, HOME Homebuyer Assistance Program and Contract for Deed Conversions. The Office of Colonia Initiatives offers Texas Bootstrap Program loans. Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category.

Racial Composition of HOME and HTF Program Owner Households



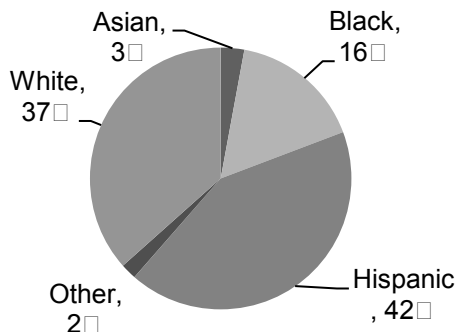
Race	Households	Percent
Black	124	29%
White	203	47%
Other	107	25%

Ethnic Composition of HOME and HTF Program Owner Households



Ethnicity	Households	Percent
Hispanic	237	49%
Non-Hispanic	244	51%

Racial & Ethnic Composition of My First Texas Home Program Owner Households



Ethnicity	Race	Households	Percent
Hispanic	-	1,134	42%
-	White	1983	37%
-	Other	53	2%
-	Black	439	16%
-	Asian	78	3%

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.

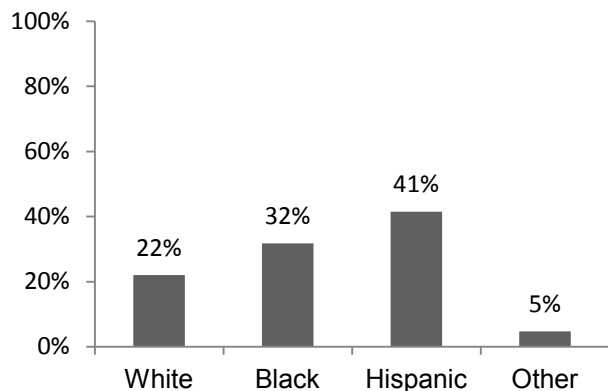
COMMUNITY AFFAIRS PROGRAMS

The Community Affairs programs allocate funding to subrecipient entities with service areas that span across two or more uniform TDHCA state service regions, so racial data for these programs is reported by entity rather than region. Due to the data reporting techniques of the Weatherization Assistance Program (“WAP”), Comprehensive Energy Assistance Program (“CEAP”) and Community Service Block Grant (“CSBG”) Program, race and ethnicity are combined into one category. The Emergency Solutions Grant (“ESG”) reports race and ethnicity as two separate categories.

WEATHERIZATION ASSISTANCE PROGRAM

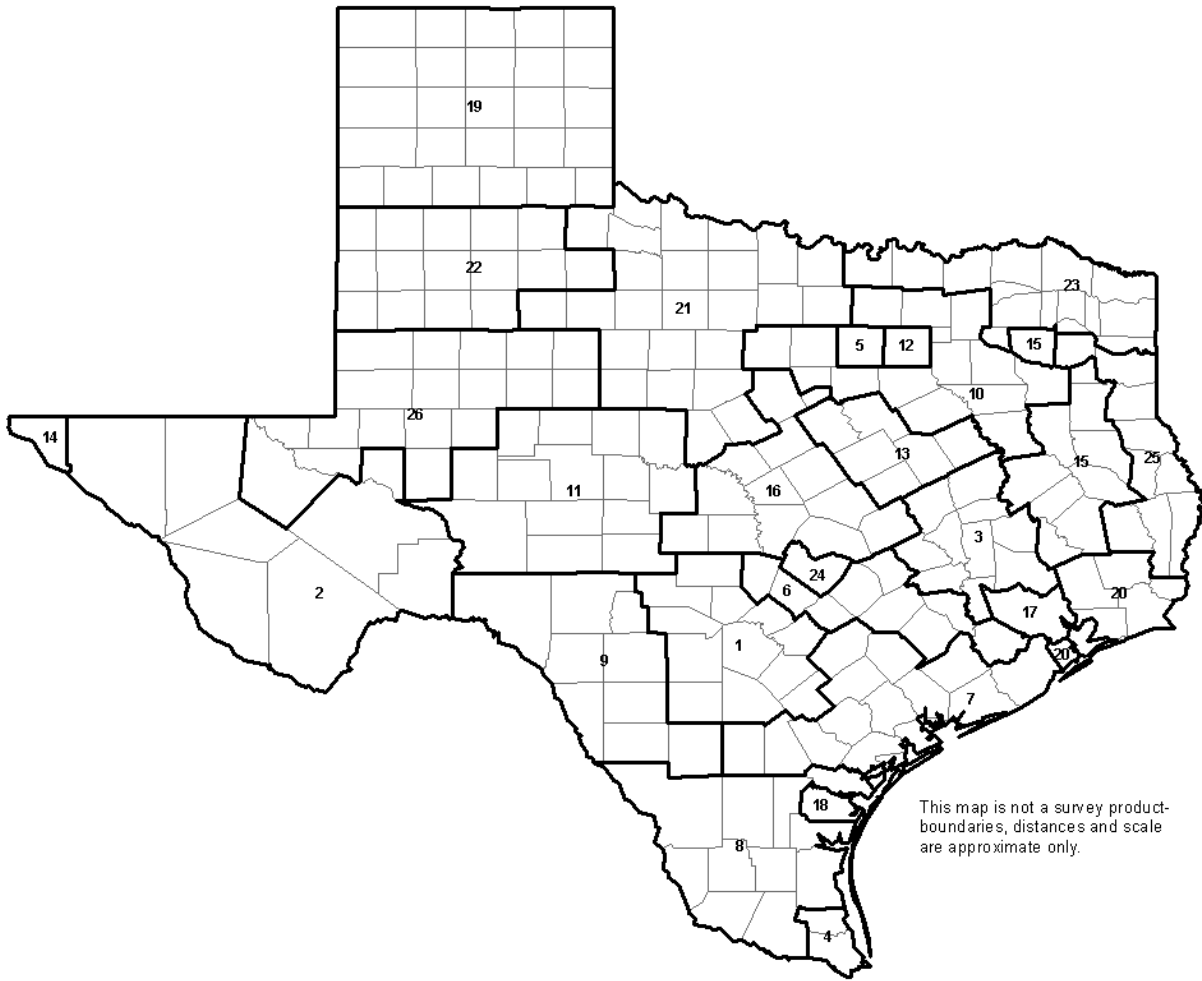
The WAP funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions. Because of this, WAP racial composition data for FY 2015 is listed according to subcontractor. A map is provided in order to locate subrecipient service areas. Racial and ethnic 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, 2015



Ethnicity	Race	Percent
Hispanic	-	41%
-	Other	5%
-	White	22%
-	Black	32%

WAP Subrecipient Service Areas, Program Year (PY) 2015



**Racial and Ethnic Composition of Households Receiving WAP Assistance
by Subrecipient, Statewide, SFY 2015**

# on Map	Subrecipient	Counties Served	Expended	Households Served	White	Black	Hispanic	Other
1	Alamo Area Council of Governments	Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	1,595,581	221	71	15	132	3
2	Big Bend Community Action Committee, Inc.	Brewster, Crane, Culberson, Hudspeth, Jeff Davis, Pecos, Presidio, Terrell	380,517	63	21	1	34	7
3	Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Waller, Washington	573,212	106	26	57	22	1
4	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	210,692	37	1	0	36	0
5	City of Fort Worth	Tarrant	1,594,909	233	46	127	52	8
6	Combined Community Action, Inc.	Austin, Bastrop, Blanco, Caldwell, Colorado, Fayette, Fort Bend, Hays, Lee	474,093	78	32	24	22	0
7	Community Action Committee of Victoria, Texas	Aransas, Bee, Brazoria, Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Live Oak, Matagorda, McMullen, Refugio, Victoria, Wharton	728,010	159	29	34	90	6
8	Community Action Corporation of South Texas	Dimmit, Edwards, Kinney, LaSalle, Maverick, Real, Uvalde, Val Verde, Zavala	2,547,638	412	5	0	407	0
9	Community Council of South Central Texas, Inc.	Dimmit, Edwards, Kinney, LaSalle, Maverick, Real, Uvalde, Val Verde, Zavala	595,221	149	12	21	116	0
10	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hood,	1,305,310	270	160	87	18	5
11	Concho Valley Community Action Agency	Coke, Coleman, Concho, Crockett, Irion, Kimble, McCulloch, Menard, Reagan, Runnels, Schleicher	395,672	55	20	8	27	0

Statement of Activities

12	Dallas County Department of Health and Human Services	Dallas	2,525,372	479	52	240	181	6
13	Economic Opportunities Advancement Corporation of PR XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	483,543	99	32	54	13	0
14	El Paso Community Action Program, Project Bravo, Inc.	El Paso	1,386,365	273	0	0	273	0
15	Greater East Texas Community Action Program (GETCAP)	Angelina, Chambers, Cherokee, Galveston, Gregg, Orange, Polk, Rusk, San Jacinto, Trinity, Wood	589,008	135	33	76	22	4
16	Hill Country Community Action Association, Inc.	Bell, Burnet, Coryell, Erath, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba, Somervell, Williamson	657,057	97	57	19	19	2
17	Neighborhood Centers Inc.	Harris	3,589,060	590	43	403	109	35
18	Nueces County Community Action Agency	Nueces	535,958	93	24	7	59	3
19	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	686,425	123	40	25	58	0
20	Programs for Human Services, Inc		632,826	79	28	49	0	2
21	Rolling Plains Management Corporation	Archer, Baylor, Brown, Callahan, Clay, Comanche, Cottle, Eastland, Foard, Hardeman, Haskell, Jack, Jones, Kent, Knox, Montague, Taylor, Stephens, Shackelford, Stonewall, Throckmorton, Wichita, Wilbarger, Wise, Young	1,010,500	133	83	17	30	3

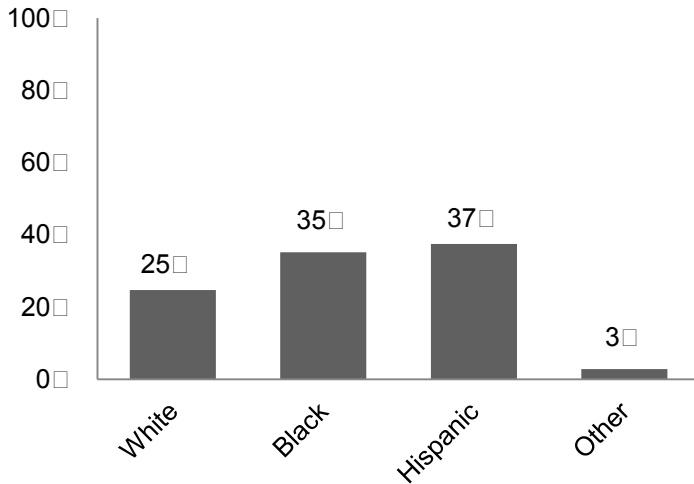
Statement of Activities

22	South Plains Community Action Association, Inc.	Bailey, Cochran, Crosby , Dickens, Floyd , Garza, Hale , Hockley, King, Lamb, Lubbock, Lynn, Motley, Terry, Yoakum	248,751	31	6	6	19	0
23	Texoma Council of Governments	Bowie, Camp, Cass, Cooke, Delta, Fannin, Franklin, Grayson, Hopkins, Lamar, Marion, Morris, Rains, Red River, Titus	862,142	140	92	46	1	1
24	Travis County	Travis	617,306	240	23	32	67	118
25	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	314,213	62	23	38	0	1
26	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton, Loving, Reeves, Ward, Winkler	766,197	154	23	21	110	0
Total			\$ 24,539,380	\$ 4,357	\$ 959	\$1,386	\$ 1,807	\$ 205

COMPREHENSIVE ENERGY ASSISTANCE PROGRAM (CEAP)

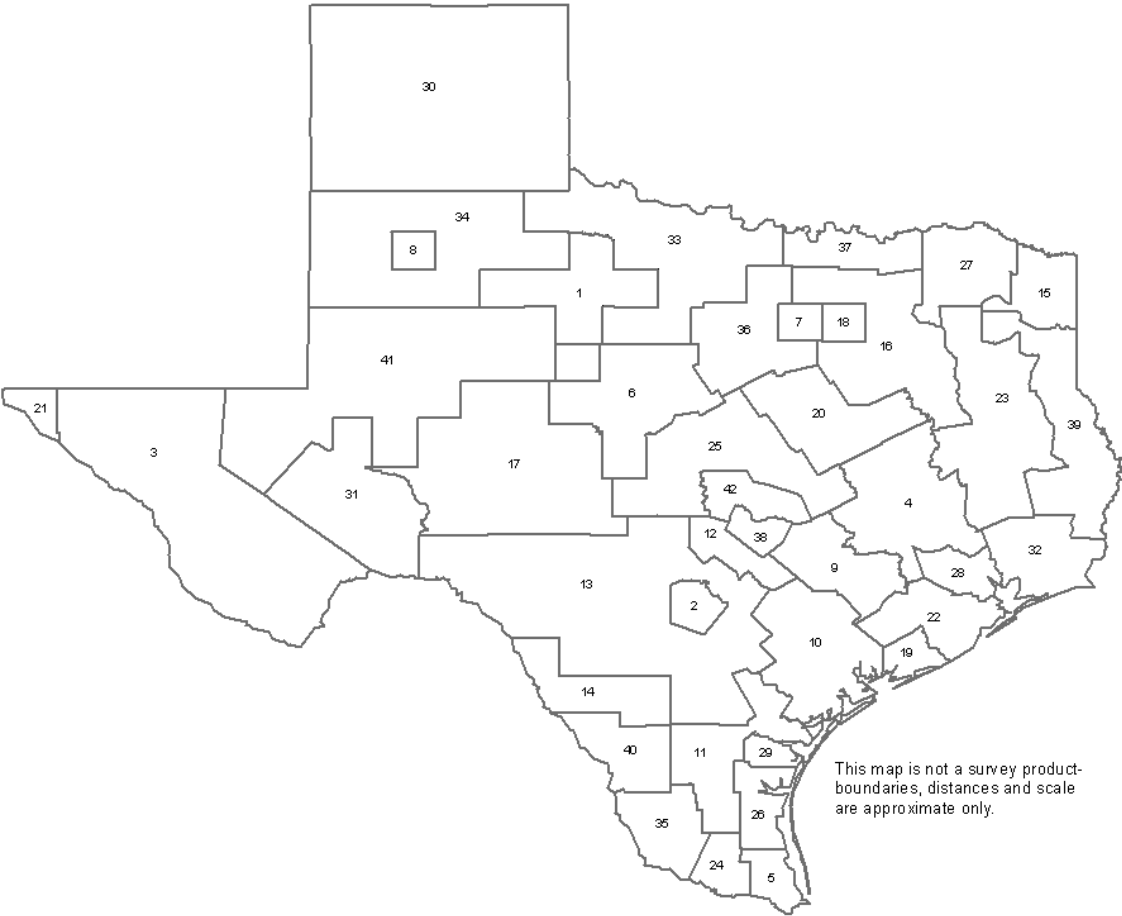
The CEAP funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions. Because of this, CEAP racial composition data for FY 2015 is listed according to subcontractor. A map is provided in order to locate subcontractor service area. Racial composition 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, FY 2015



Ethnicity	Race	Percent
Hispanic	-	37%
-	Other	3%
-	White	25%
-	Black	35%

CEAP Subrecipient Service Areas, FY 2015



**Racial and Ethnic Composition of Households Receiving CEAP Assistance
By Subrecipient, Statewide, FY 2015**

# on Map	Subrecipient	Counties Served	Expended	Beneficiaries	White	Black	Hispanic	Other
1	Aspermont Small Business Development Center, Inc.	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$680,920	1,152	528	164	456	4
2	Bexar County Community Resources	Bexar	\$6,235,046	7,586	839	1,059	5,404	284
3	Big Bend Community Action Committee, Inc.	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$891,876	1,737	243	17	1,462	15
4	Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$3,582,516	4,381	1,276	2,503	535	67
5	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$1,348,924	4,381	1,276	2,503	535	67
6	Central Texas Opportunities, Inc.	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels	\$1,151,311	780	13	1	766	0
7	City of Fort Worth	Tarrant	\$5,186,429	1,171	889	92	153	37
8	City of Lubbock	Lubbock	\$1,083,076	8,805	1,666	5,683	1,237	219
9	Combined Community Action, Inc.	Austin, Bastrop, Colorado, Fayette, Lee	\$810,665	1,129	200	385	538	6
10	Community Action Committee of Victoria, Texas	Aransas, Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, Refugio, Victoria	\$1,483,753	959	416	480	63	0
11	Community Action Corporation of South Texas	Bee, Brooks, Cameron, Duval, Jim Wells, Kenedy, Kleberg, San Patricio, Willacy	\$2,311,890	2,239	490	600	1,136	13
12	Community Action Inc. of Central Texas	Blanco, Caldwell, Hays	\$836,552	3,859	156	27	3,675	1

Statement of Activities

13	Community Council of South Central Texas, Inc.	Atascosa, Bandera, Comal, Edwards, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Kinney, Live Oak, McMullen, Medina, Real, Uvalde, Val Verde, Wilson, Zavala	\$3,246,501	1,265	830	208	168	59
14	Community Services Agency of South Texas, Inc.	Dimmit, La Salle, Maverick	\$783,507	5,338	1,389	165	3,760	24
15	Community Services of Northeast Texas, Inc.	Bowie, Camp, Cass, Marion, Morris	\$1,315,490	1,144	230	8	903	3
16	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$5,307,021	1,844	574	1,230	34	6
17	Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green	\$1,414,431	6,096	2,796	2,625	559	116
18	Dallas County Department of Health and Human Services	Dallas	\$5,767,718	2,015	653	161	1,185	16
19	Economic Action Committee of The Gulf Coast	Matagorda	\$267,188	8,402	693	6,908	677	124
20	Economic Opportunities Advancement Corporation of PR XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$2,472,747	362	80	188	90	4
21	El Paso Community Action Program, Project Bravo, Inc.	El Paso	\$4,501,734	3,943	1,161	2,387	340	55
22	Galveston County Community Action Council, Inc.	Brazoria, Fort Bend, Galveston, Wharton	\$2,873,429	19,904	8,163	13	11,802	-74
23	Greater East Texas Community Action Program (GETCAP)	Angelina, Chambers, Cherokee, Galveston, Gregg, Hardin, Houston, Jefferson, Liberty, Nacogdoches, Orange, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$4,129,556	4,327	674	2,727	816	110
24	Hidalgo County, Texas-County of Hidalgo Community Service Agency	Hidalgo	\$5,991,496	5,846	1,777	3,765	265	39

Statement of Activities

25	Hill Country Community Action Association, Inc.	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$2,015,763	9,121	112	109	8,890	10
26	Kleberg County Human Services	Kenedy, Kleberg	\$389,766	2,760	1,858	763	0	139
27	N.E.T. Opportunities, Inc.	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$348,888	395	17	22	356	0
28	Neighborhood Centers Inc.	Harris	\$13,956,849	482	212	247	15	8
29	Nueces County Community Action Agency	Nueces	\$1,758,597	15,168	1,055	10,032	1,514	2,567
30	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	\$3,222,118	2,083	88	362	1,623	10
31	Pecos County Community Action Agency	Crane, Pecos, Terrell	\$602,921	-3,465	-1,463	-660	-1,069	-273
32	Programs for Human Services, Inc	Chambers, Hardin, Jefferson, Liberty, Orange	\$1,632,341	920	146	9	764	1
33	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young, Shackelford, Stephens, Taylor	\$2,152,812	3,735	888	2,599	61	187
34	South Plains Community Action Association, Inc.	Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb, Lynn, Motley, Terry, Yoakum	\$1,438,405	687	429	113	107	38
35	South Texas Development Council	Jim Hogg, Starr, Zapata	\$1,135,395	2,542	459	291	1,771	21
36	Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$1,254,029	1,173	1,173	0	0	0
37	Texoma Council of Governments	Cooke, Fannin, Grayson	\$941,389	1,429	1,192	70	146	21
38	Travis County	Travis	\$3,118,496	1,122	775	291	39	17
39	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$2,135,265	4,526	939	2,087	1,313	187

Statement of Activities

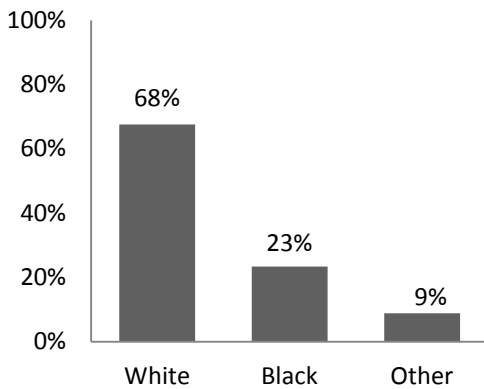
40	Webb County Community Action Agency	Webb	\$1,370,883	3,559	1,241	2,252	56	10
41	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard Loving, Martin, Midland, Mitchell, Nolan, Reeves, Scurry, Upton Ward, Winkler	\$3,209,022	1,744	146	0	1,585	13
42	Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$840,576	4,835	1,139	673	2,993	30
Grand Total			105,197,290	151,481	37,418	53,159	56,723	4,181

COMMUNITY SERVICES BLOCK GRANT PROGRAM (CSBG)

The CSBG Program 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 2015 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.

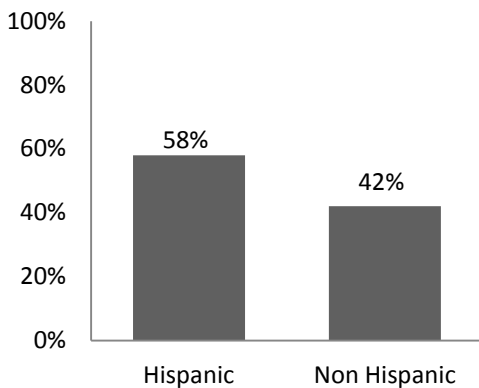
Racial and Ethnic Composition of Individuals Receiving CSBG Assistance, Statewide, FY 2015

Racial Composition



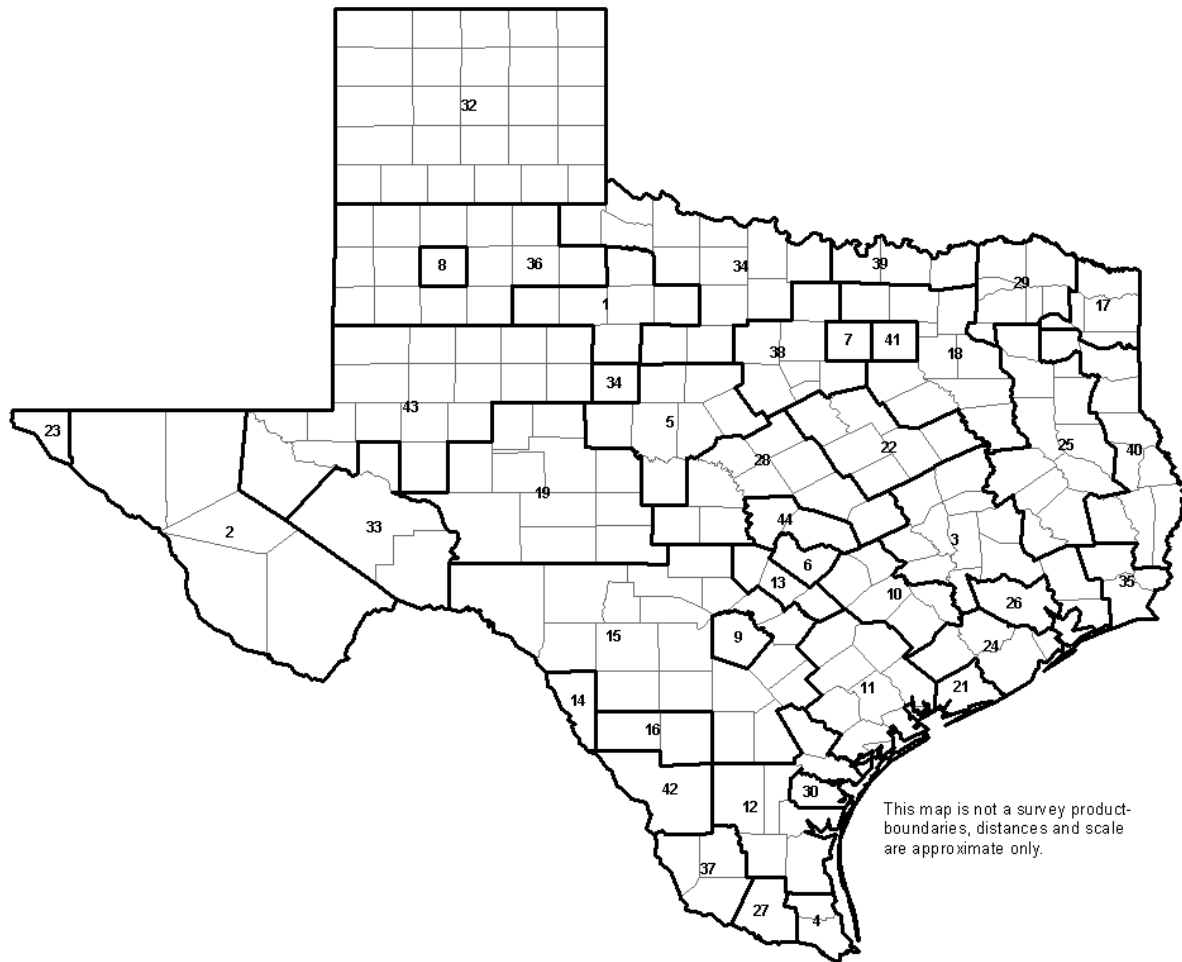
Race	Percent
Other	9%
White	68%
Black	23%

Ethnic Composition



Ethnicity	Percent
Hispanic	58%
Non-Hispanic	42%

CSBG Subrecipient Service Areas, FY 2015



Note: Subrecipients in the table below that received discretionary funds were not included in the map.

**Racial Composition of Individuals Receiving CSBG Assistance by Subrecipient,
Statewide, FY 2015**

# on Map	Contractor	Counties Served	FY 2014 CSBG Allocation	Individuals Served	Black	White	Other	Hispanic	Non-Hispanic
1	Aspermont Small Business Development Center	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$187,374	1,466	176	592	698	713	753
2	Big Bend Community Action Committee, Inc.	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$168,266	2,702	24	2,430	248	2,402	300
3	Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Chambers, Grimes, Leon, Liberty, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$1,040,637	14,688	8,258	6,081	349	2,677	12,011
4	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$224,657	2,074	5	2,069	0	2,051	23
5	Central Texas Opportunities, Inc.	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels	\$153,375	2,690	227	2,310	153	638	2,052
6	City of Austin, Health and Human Services Dept	Travis	\$1,118,273	2,547	1,044	1,402	101	1,104	1,443
7	City of Fort Worth	Tarrant	\$2,294,162	17,282	10,646	5,945	691	3,450	13,832
8	City of Lubbock	Lubbock	\$384,671	3,658	1,222	2,260	176	1,745	1,913
9	City of San Antonio, The Department of Human Services	Bexar	\$2,193,154	36,782	2,632	16,879	17,271	28,610	8,172
10	Combined Community Action, Inc.	Austin, Bastrop, Colorado, Fayette, Lee	\$246,339	2,300	1,085	963	252	369	1,931
11	Community Action Committee of Victoria, Texas	Aransas, Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Refugio, Victoria	\$297,076	5,792	1,379	4,280	133	3,627	2,165
12	Community Action Corporation of South Texas	Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, San Patricio	\$371,743	11,386	74	11,286	26	10,959	427

Statement of Activities

13	Community Action Inc. of Central Texas	Blanco, Caldwell, Hays	\$302,384	2,662	389	2,200	73	1,663	999
14	Community Action Social Services & Education, Inc.	Maverick	\$190,187	429	0	417	12	429	0
15	Community Council of South Central Texas, Inc.	Atascosa, Bandera, Comal, Edwards, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Kinney, Live Oak, McMullen, Medina, Real, Uvalde, Val Verde, Wilson, Zavala	\$721,685	10,913	355	10,303	255	7,966	2,947
16	Community Services Agency of South Texas, Inc.	Dimmit, La Salle	\$123,085	2,474	10	2,456	8	2,444	30
17	Community Services of Northeast Texas, Inc.	Bowie, Cass, Marion, Morris, Camp	\$190,313	2,816	1,679	826	311	135	2,681
18	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$1,037,684	13,261	5,743	7,075	443	1,937	11,324
19	Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green	\$295,253	3,126	214	2,879	33	2,070	1,056
NA	Dallas Inter-Tribal Center of Texas*	Dallas	\$99,053	142	7	5	130	51	91
21	Economic Action Committee of The Gulf Coast	Matagorda	\$161,689	993	429	524	40	339	654
22	Economic Opportunities Advancement Corporation of PR XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$352,010	9,869	5,518	3,324	1,027	2,434	7,435
23	El Paso Community Action Program, Project Bravo, Inc.	El Paso	\$1,065,905	57,513	1,029	55,068	1,416	53,216	4,297
24	Galveston County Community Action Council, Inc.	Brazoria, Fort Bend, Galveston, Wharton	\$844,112	9,193	5,655	3,164	374	2,287	6,906
25	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$855,787	13,553	7,895	5,371	287	1,082	12,471

Statement of Activities

26	Gulf Coast Community Services Association	Harris	\$4,844,957	7,307	5,380	1,237	690	1,190	6,117
27	Hidalgo County, Texas-County of Hidalgo Community Service Agency	Hidalgo	\$1,600,626	22,343	55	22,245	43	22,048	295
28	Hill Country Community Action Association, Inc.	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$526,347	4,446	1,205	2,866	375	1,285	3,161
29	N.E.T. Opportunities, Inc.	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$188,494	1,094	556	513	25	102	992
30	Nueces County Community Action Agency	Nueces	\$439,201	3,626	481	3,049	96	2,982	644
NA	Opportunity Center for the Homeless*	El Paso	\$84,263	272	0	272	0	272	0
32	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	\$691,009	104	-81	634	-449	-18	122
33	Pecos County Community Action Agency	Crane, Pecos, Terrell	\$135,624	2,064	28	2,028	8	1,687	377
34	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Taylor, Stephens, Shackelford, Wichita, Wilbarger, Young	\$406,034	6,678	1,418	3,485	1,775	1,903	4,775
35	South East Texas Regional Planning Commission	Hardin, Jefferson, Orange	\$385,370	701	492	186	23	28	673
36	South Plains Community Action Association, Inc.	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum, Crosby, Dickens, Floyd, Hale, King, Motley	\$317,795	6,130	523	5,440	167	4,785	1,345

Statement of Activities

37	South Texas Development Council	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum, Crosby, Dickens, Floyd, Hale, King, Motley	\$158,814	3,083	0	3,079	4	3,059	24
38	Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$373,270	4,035	204	3,301	530	602	3,433
39	Texoma Council of Governments	Cooke, Fannin, Grayson	\$320,219	3,040	806	2,137	97	203	2,837
40	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$286,089	6,783	3,963	2,521	299	210	6,573
41	Urban League of Greater Dallas	Dallas	\$1,159,585	4,333	3,155	1,042	136	668	3,665
42	Webb County Community Action Agency	Webb	\$502,734	4,383	0	4,373	10	4,364	19
43	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton, Loving, Reeves, Ward, Winkler	\$542,878	10,560	1,441	8,756	363	6,934	3,626
44	Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$279,829	3,105	761	2,190	154	1,287	1,818
			\$28,162,011	324,398	76,082	219,463	28,853	187,989	136,409

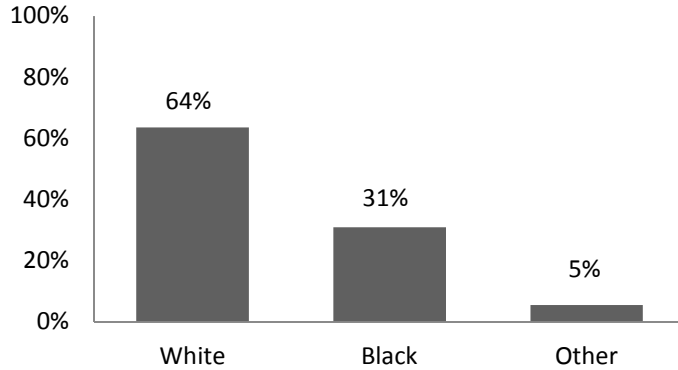
*These contractors received CSBG discretionary funds for specialized activities.

^ Contractors will provide and/or facilitate access to training and technical assistance in best practices and program management development. Subrecipient coordinated efforts to address homelessness among homeless service providers.

EMERGENCY SOLUTIONS GRANTS PROGRAM (ESG)

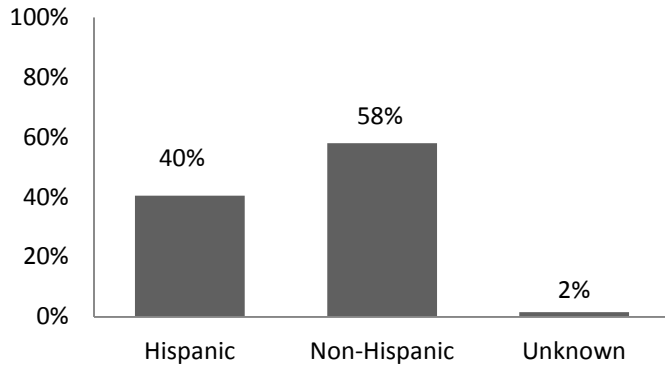
The ESG program competitively funds a network of subrecipient organizations, some of which have service areas that span across two or more regions or multiple subrecipients serving the same area. Because of this, ESG racial composition data for FY 2015 is listed according to subrecipient. Racial composition for the state is available, but unavailable at the regional level.

Racial Composition of Individuals Receiving ESG Assistance, Statewide, FY 2015



Race	Percent
Other	5%
White	64%
Black	31%

Ethnic Composition of Individuals Receiving ESG Assistance, Statewide, FY 2015



Ethnicity	Percent
Hispanic	40%
Non-Hispanic	58%
Unknown	2%

**Racial and Ethnic Composition of Individuals Receiving ESG Assistance
By Subrecipient, Statewide, FY 2015**

Contractor	County Service Area	Expenditures	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic	Unknown
Advocacy Outreach	Bastrop, Colorado, Fayette, Lee, Travis	345,441	582	332	225	25	127	437	18
Alliance of Community Assistance Ministries, Inc.	Fort Bend, Harris	578,786	452	174	266	12	102	350	
Bridge Over Troubled Waters, Inc., The	Harris	345,238	252	162	85	5	78	174	
Center Against Family Violence, Inc.	El Paso	129,650	2,001	1816	99	86	1486	335	180
City of Amarillo	Potter, Randall	89,425	1,093	703	261	129	264	829	
City of Beaumont	Jefferson	267,602	423	158	222	43	35	373	15
City of Denton	Denton	61,588	140	75	61	4	14	126	
Corpus Christi Hope House, Inc.	Nueces	121,303	277	247	23	7	197	75	5
Faith Mission and Help Center, Inc.	Washington	5,881	22	4	18	0	1	21	
Family Abuse Center, Inc.	Bosque, Falls, Freestone, Hill, Limestone, McLennan, Navarro	91,236	733	377	230	126	215	512	6
Family Place, The	Dallas	700,959	1,797	741	1000	56	472	1311	14
Family Violence Prevention Services, Inc.	Bexar	24,392	473	266	109	98	266	207	
Friendship of Women, Inc.	Cameron	472,852	1,524	1497	10	17	1391	130	3
Houston Area Women's Center	Harris	120,658	806	299	500	7	201	605	
La Posada Providencia	Brooks, Cameron, Hidalgo, Kenedy, Starr, Webb, Willacy	478,489	1,289	1004	200	85	968	321	
Matagorda County Women's Crisis Center	Matagorda, Wharton	314,300	701	378	282	41	216	435	47

Statement of Activities

Mid-Coast Family Services, Inc.	Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Victoria	140,920	544	427	108	9	307	237	
Northwest Assistance Ministries	Harris	327,438	721	224	461	36	76	642	3
Project Vida	Culberson, El Paso, Hudspeth	145,798	356	328	28	0	311	45	
SafeHaven of Tarrant County	Tarrant	146,100	811	370	381	60	223	564	24
Salvation Army - Corpus Christi	Bee, Jim Wells, Kleberg, Live Oak, Nueces, San Patricio	309,274	2,068	1736	304	28	942	1119	7
Salvation Army - El Paso	El Paso	113,526	4,299	3825	312	162	3439	812	48
Salvation Army - Tyler	Cherokee, Henderson, Rains, Smith, Upshur, Van Zandt, Wood	556,435	3,325	1865	1219	241	220	3081	24
Salvation Army Fort Worth Mabee Center	Tarrant	27,894	102	42	47	13	23	79	
San Antonio Family Endeavors, Inc.	Bexar	458,087	5,575	3405	1909	261	2137	3333	105
San Antonio Metropolitan Ministry, Inc.	Bexar	394,923	955	657	260	38	422	472	61
Service of the Emergency Aid Resource Center for the Homeless	Harris	434,899	2,276	766	1447	63	258	2014	4
Shared Housing Center, Inc.	Dallas	88,449	116	14	99	3	10	106	
Shelter Agencies For Families In East Texas, Inc.	Camp, Delta, Franklin, Hopkins, Lamar, Morris, Red River, Titus	140,423	592	391	198	3	97	495	
Tarrant County Homeless Coalition	Tarrant	420,951	1,264	653	565	46	120	1114	30
Twin City Mission, Inc.	Brazos, Burleson, Grimes, Leon, Madison, Milam	18,733	592	282	297	13	125	467	

Statement of Activities

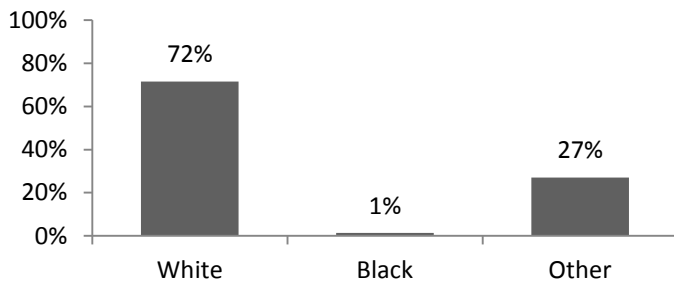
Women's Center of East Texas, Inc.	Gregg, Harrison, Marion, Panola, Rusk, Upshur	12,722	45	19	23	3	6	39	
Women's Shelter of East Texas, Inc.	Angelina, Houston, Nacogdoches, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity	116,273	819	385	211	223	182	637	
Youth and Family Alliance dba Lifeworks	Travis	401,743	821	433	254	134	363	454	4
Grand Total		8,402,386	37,846	24,055	11,714	2,077	15,294	21,951	598

HOMELESS HOUSING AND SERVICES PROGRAM (“HHSP”)

The HHSP assists large metropolitan areas to provide services to homeless individuals and families, including case management, housing placement and retention, and construction. Beginning in 2010, TDHCA distributed these funds to be administered in the eight largest cities with populations larger than 285,500 persons, per the latest U.S. Census data. 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.

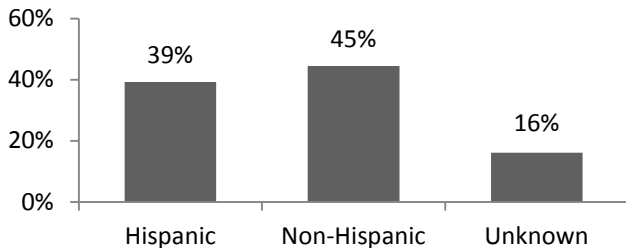
HHSP racial and ethnic composition data is listed according to subrecipient. Racial and ethnic composition of those assisted by the program areas are provided below.

Racial Composition of Individuals Receiving HHSP Assistance, Statewide



Race	Percent
Other	27%
White	72%
Black	1%

Ethnic Composition of Individuals Receiving HHSP Assistance, Statewide



Ethnicity	Percent
Hispanic	39
Non-Hispanic	45%
Unknown	16%

**Racial and Ethnic Composition of Individuals Receiving HHSP Assistance
By Subrecipient, Statewide for SFY 2014**

Contractor	Service Area	Expenditures	Ind Served	White	Black	Other	Hispanic	Non-Hispanic	Unknown
City of Arlington	Arlington	189,023	215	22	0	193	32	183	0
City of Austin, Health and Human Services Dept	Austin	304,126	104	46	0	58	26	76	2
City of Dallas	Dallas	692,736	658	167	0	491	56	598	4
City of El Paso, Department of Community and Human Development	El Paso	560,851	2072	1,911	45	116	1,005	121	946
City of Houston	Houston	386,777	147	21	0	126	1	146	0
Haven for Hope of Bexar County	Bexar County	964,397	2306	1,729	0	577	1,069	1,205	32
Mother Teresa Shelter, Inc.	Corpus Christi	143,640	983	799	0	184	428	555	0
United Way of Tarrant County	Fort Worth	523,864	192	82	51	59	9	90	93
Grand Total		\$3,765,415	\$6,677	\$4,777	\$96	\$1,804	\$2,626	\$2,974	\$1,077

PROGRESS IN MEETING TDHCA HOUSING AND COMMUNITY SERVICE GOALS

The goals established in the Department's Legislative Appropriations Request, the Riders from the General 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 AMFI.

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 2015 goals and objectives is provided in *Section 4: Action Plan*.

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 *Section 4: Action Plan*.

PERFORMANCE IN ADDRESSING HOUSING NEEDS

The true need for safe, affordable housing for low-income Texans can be difficult to succinctly quantify. The U.S. Department of Housing and Urban Development ("HUD") provides a snapshot of that need, as shown in the *Section 2 Housing Analysis*. HUD indicates that there are approximately 1,378,915 low-income (0-80% AMFI) renter households with housing problems and 944,505 low-

income homeowners with housing problems, such as a cost burden, lack of kitchen or plumbing and overcrowding. This would equate to approximately 26.5 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 the amount of housing that lacks kitchen or plumbing.

TDHCA housing assistance programs are targeted to assist low-income renter and owner households with housing problems. In FY 2015 TDHCA housing programs served 16,290, or 0.7% of Texas low-income households with housing problems. This small percentage indicates the magnitude of housing need in Texas.

Community Affairs programs address a variety of needs, including energy assistance, emergency, and homelessness programs. Total assistance provided by TDHCA, including energy assistance, emergency and homelessness programs served 221,409 households and 324,398 persons in FY 2015. Energy assistance programs have specific eligibility criteria, based on poverty level. Community Affairs programs primarily serve individuals at or below 125% of the poverty level. In FY 2015 Community Affairs programs served 10.71% of the eligible population for homeless and poverty related assistance and 11.73% of very low income households eligible for energy assistance.

STATEMENT OF ACTIVITIES BY UNIFORM STATE SERVICE REGION

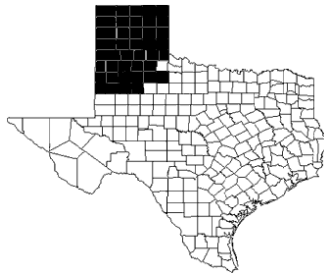
This section describes TDHCA's FY 2015 activities by Uniform State Service region. The regional tables do not include information for WAP, CEAP, ESG, CSBG and HHSP because funds are provided to subrecipient organizations whose coverage areas do not align with regional boundaries. Additionally, for purposes of reporting, Office of Colonia Initiatives data does not appear as an independent category, but rather the data is grouped under their respective funding sources. For example, most Contracts for Deed Conversion are reported under the HOME Homebuyer Assistance Program.

As required by Texas Government Code §2306.072(c)(5), 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, we are unable to report on the racial and ethnic composition of households applying for assistance. The racial and ethnic composition reflects actual households served in FY 2015. Single Family Homeownership and Section 8 program awards are the same as the actual households served in the same fiscal year. HOME, HTC, HTF, and MFB program awards represent a commitment made in FY 2015 to serve households. Racial and ethnic data for the latter programs represent households served in FY 2015 with previous years' awards. Therefore, the racial and ethnic pie charts will not correlate with the tables on subsequent pages for the HOME, HTC, HTF, and MFB programs.

Regional information has been organized into two broad 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 and Ethnic Composition of Households Receiving Assistance" under the Statement of Activities section.

Statement of Activities by Region

REGION 1

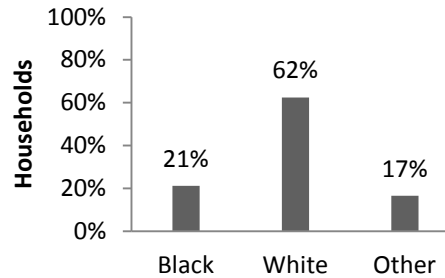


These charts represent the racial and ethnic composition of households served in FY 2015.

Note:

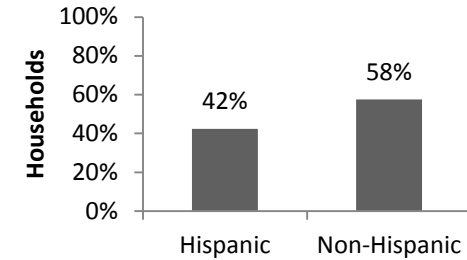
Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single-Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	2,284	21%
White	6,738	62%
Other	1,783	17%

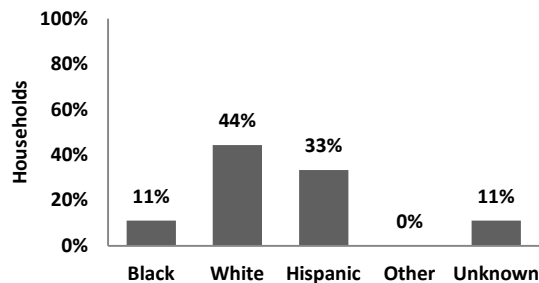
RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	4,834	42%
Non-Hispanic	6,556	58%

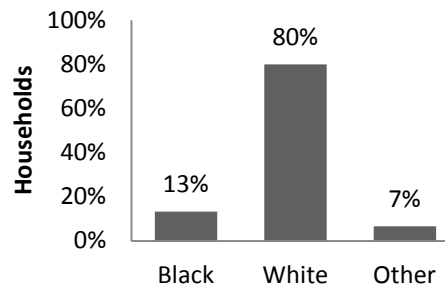
SINGLE FAMILY HOMEOWNERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE AND ETHNICITY



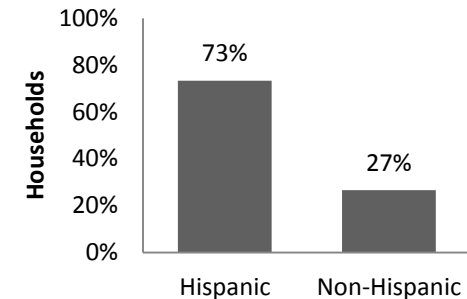
Race	Ethnicity	Households	Percent
Black		1	11%
White		4	44%
	Hispanic	3	33%
Other		0	0%
Unknown		1	11%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	4	13%
White	24	80%
Other	2	7%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	22	73%
Non-Hispanic	8	27%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 1

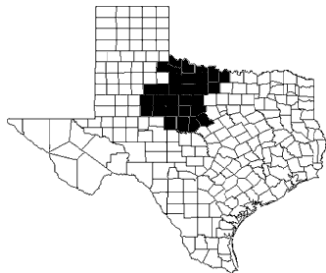
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Homeowner Programs	\$658,379	9	\$475,051	24	\$119,560	6	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$1,400,000	18	\$0	0	\$2,051,575	142	\$0	0	\$0	0	\$0	0
Total	\$658,379	9	\$1,875,051	42	\$119,560	6	\$2,051,575	142	\$0	0	\$0	0	\$0	0

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 1

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$1,287,368	21	\$59,560	3	\$1,834,878	127	0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$248,313	3	\$494,838	20	\$60,000	3	\$216,697	15	\$0	0	\$0	0	\$0	0
Low Income (61-80 AMFI)	\$272,947	4	\$92,845	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$137,118	2	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$658,379	9	\$1,875,051	42	\$119,560	6	\$2,051,575	142	\$0	0	\$0	0	\$0	0

TDHCA allocated \$4,704,565 in Region 1 during FY 2015. Renter programs accounted for the largest segment of this total and the extremely low-income households group (0-30% AMFI) was the most served income group.

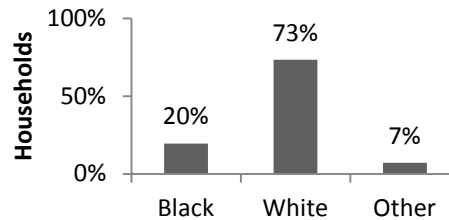
REGION 2



These charts represent the racial and ethnic composition of households served in FY 2015.

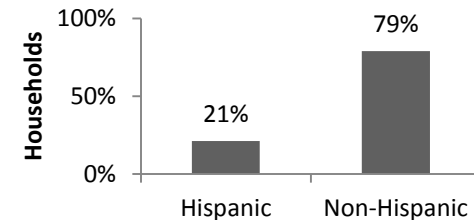
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	1,255	20%
White	4,698	73%
Other	457	7%

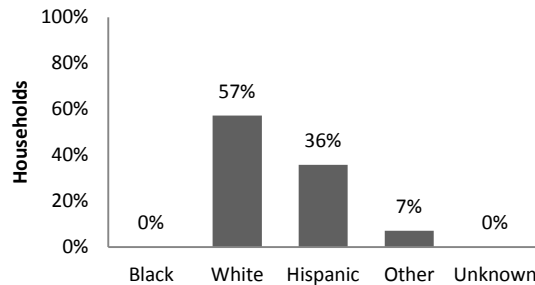
RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	1,365	21%
Non-Hispanic	5,096	79%

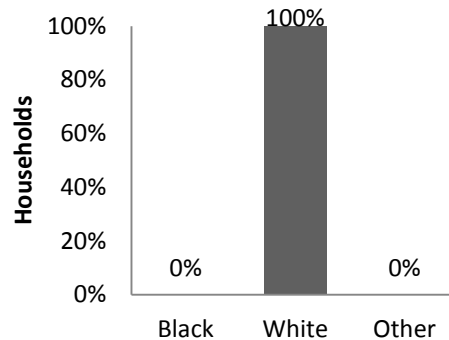
SINGLE FAMILY HOMEOWNERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE AND ETHNICITY



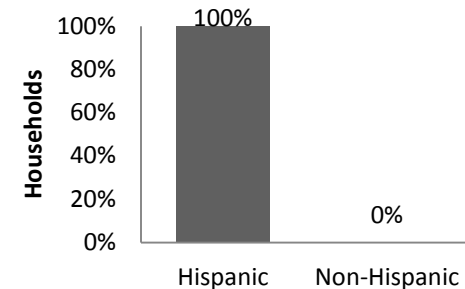
Race	Ethnicity	Households	Percent
Black		0	0%
White		8	57%
	Hispanic	5	36%
Other		1	7%
Unknown		0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	0	0%
White	1	100%
Other	0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	1	100%
Non-Hispanic	0	0%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 2

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Homeowner Programs	\$1,722,566	14	\$62,727	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$1,805,544	51	\$0	0	\$1,545,622	121	\$0	0	\$0	0	\$25,400	8
Total	\$1,722,566	14	\$1,868,270	52	\$0	0	\$1,545,622	121	\$0	0	\$0	0	\$25,400	8

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 2

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$1,839,801	44	\$0	0	\$1,380,033	108	\$0	0	\$0	0	\$19,364	6
Very Low Income (31-60 AMFI)	\$692,793	6	\$28,470	8	\$0	0	\$165,589	13	\$0	0	\$0	0	\$6,036	2
Low Income (61-80 AMFI)	\$681,513	5	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$348,261	3	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$1,722,566	14	\$1,868,270	52	\$0	0	\$1,545,622	121	\$0	0	\$0	0	\$25,400	8

TDHCA allocated \$5,161,859 in Region 2 during FY 2015. Rental programs accounted for the largest segment of this total and the extremely low-income households group (0-30% AMFI) was the most served income group.

REGION 3

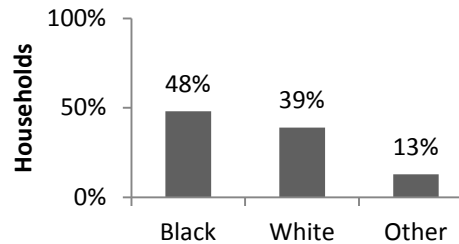


These charts represent the racial and ethnic composition of households served in FY 2015.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

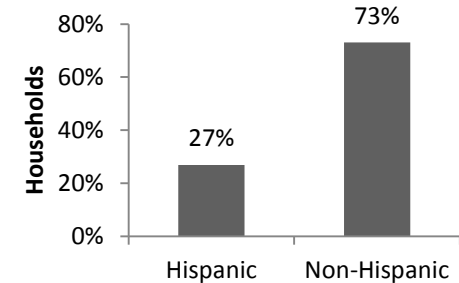
Statement of Activities by Region

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	55,805	48%
White	45,301	39%
Other	14,993	13%

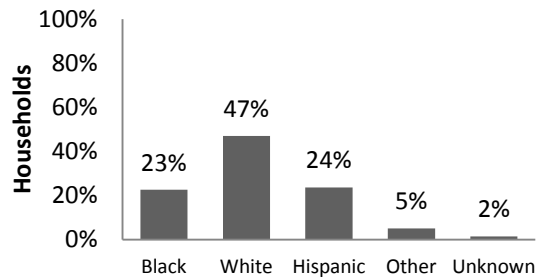
RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	31,312	27%
Non-Hispanic	85,114	73%

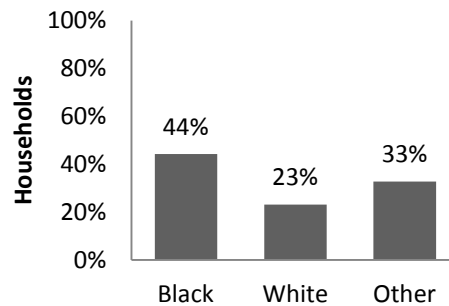
SINGLE FAMILY HOMEOWERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE AND ETHNICITY



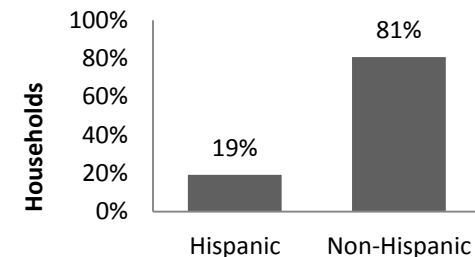
Race	Ethnicity	Households	Percent
Black		105	23%
White		218	47%
	Hispanic	110	24%
Other		24	5%
Unknown		7	2%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	23	44%
White	12	23%
Other	17	33%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	10	19%
Non-Hispanic	42	81%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 3

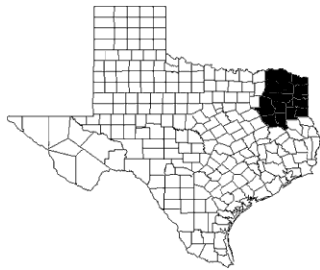
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Homeowner Programs	\$56,815,495	464	\$597,294	17	\$1,375,768	35	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$9,004,213	132	\$0	0	\$12,007,584	1,053	\$4,462,130	1,540	\$0	0	\$1,698,121	269
Total	\$56,815,495	464	\$9,601,507	149	\$1,375,768	35	\$12,007,584	1,053	\$4,462,130	1,540	\$0	0	\$1,698,121	269

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 3

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$317,848	6	\$7,847,314	117	\$246,500	6	\$10,661,434	934	\$4,462,130	1,540	\$0	0	\$1,332,429	185
Very Low Income (31-60 AMFI)	\$13,278,156	156	\$611,336	16	\$1,089,325	27	\$1,346,150	119	\$0	0	\$0	0	\$335,647	71
Low Income (61-80 AMFI)	\$23,713,578	183	\$1,142,857	16	\$39,943	2	\$0	0	\$0	0	\$0	0	\$30,045	13
Moderate Income (>80 AMFI)	\$19,505,913	119	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$56,815,495	464	\$9,601,507	149	\$1,375,768	35	\$12,007,584	1,053	\$4,462,130	1,540	\$0	0	\$1,698,121	269

TDHCA allocated \$85,960,605 in Region 3 during FY 2015. Homeowner programs accounted for the largest segment of this total and the low income households group (61-80% AMFI) was the most served income group.

REGION 4

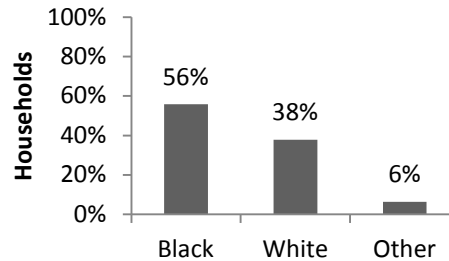


These charts represent the racial and ethnic composition of households served in FY 2015.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

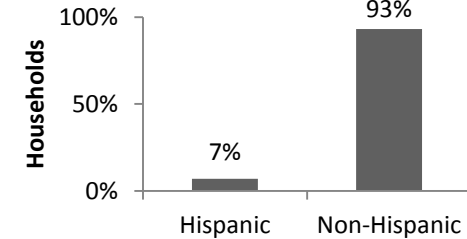
Statement of Activities by Region

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	6,875	56%
White	4,661	38%
Other	785	6%

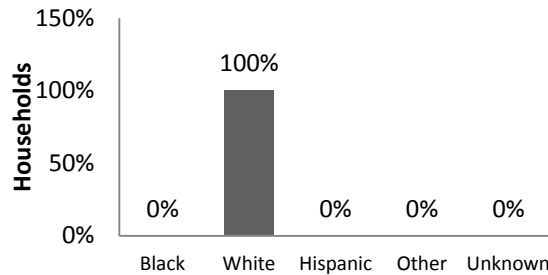
RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	863	7%
Non-Hispanic	11,503	93%

SINGLE FAMILY HOMEOWNERSHIP PROGRAM

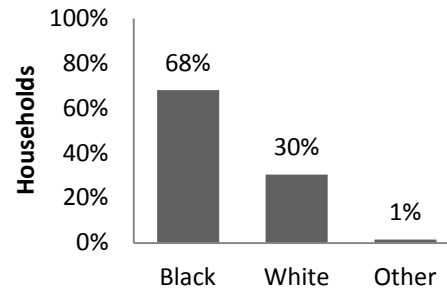
PERCENT OF EXPENDED FUNDS BY RACE



Race	Ethnicity	Households	Percent
Black		0	0%
White		11	100%
	Hispanic	0	0%
Other		0	0%
Unknown		0	0%

HOME PROGRAM OWNER PROGRAMS

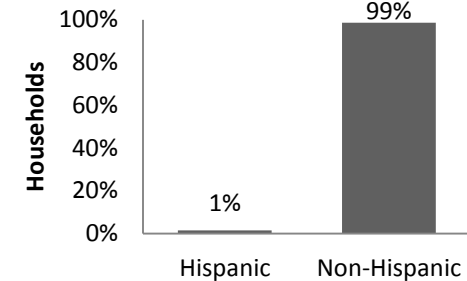
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	47	68%
White	21	30%
Other	1	1%

HOME PROGRAM OWNER PROGRAMS

PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	1	1%
Non-Hispanic	68	99%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 4

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	\$1,375,976	11	\$893,057	49	\$411,722	20	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$4,748,000	101	\$0	0	\$5,437,082	804	\$0	0	\$0	0	\$0	0
Total	\$1,375,976	11	\$5,641,057	150	\$411,722	20	\$5,437,082	804	\$0	0	\$0	0	\$0	0

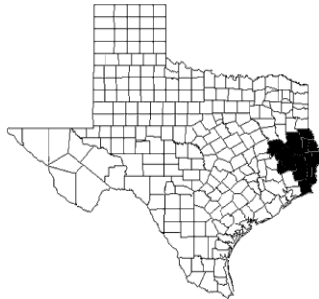
FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 4

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$106,779	1	\$3,772,336	86	\$148,364	8	\$4,971,623	737	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$755,565	6	\$1,775,463	60	\$223,458	10	\$465,459	67	\$0	0	\$0	0	\$0	0
Low Income (61-80 AMFI)	\$384,215	3	\$93,258	4	\$39,900	2	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$129,417	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$1,375,976	11	\$5,641,057	150	\$411,722	20	\$5,437,082	804	\$0	0	\$0	0	\$0	0

TDHCA allocated \$12,865,838 in Region 4 during FY 2015. Renter programs accounted for the largest segment of this total and the extremely low-income households group (0-30% AMFI) was the most served income group.

Statement of Activities by Region

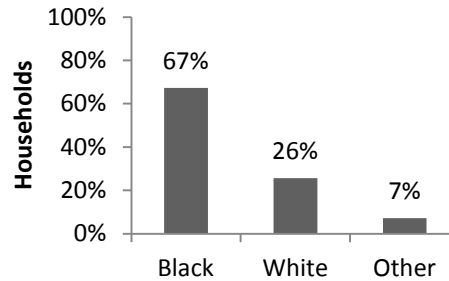
REGION 5



These charts represent the racial and ethnic composition of households served in FY 2015.

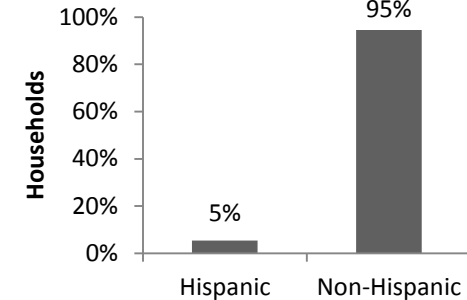
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	8,333	67%
White	3,173	26%
Other	886	7%

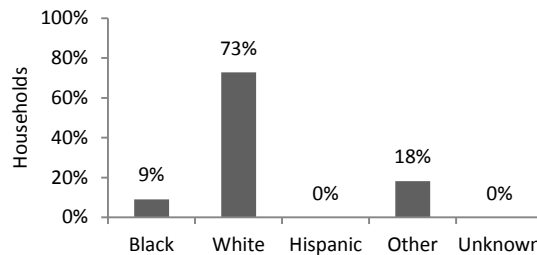
RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	681	5%
Non-Hispanic	11,797	95%

SINGLE FAMILY HOMEOWNERSHIP PROGRAM

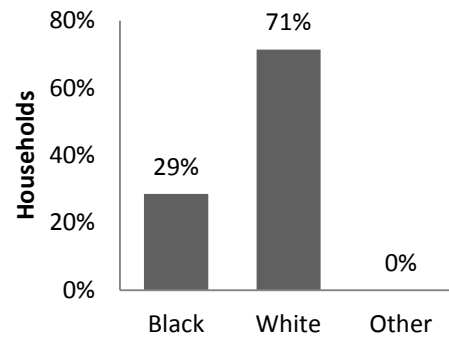
PERCENT OF EXPENDED FUNDS BY RACE



Race	Ethnicity	Households	Percent
Black		1	9%
White		8	73%
	Hispanic	0	0%
Other		2	18%
Unknown		0	0%

HOME PROGRAM OWNER PROGRAMS

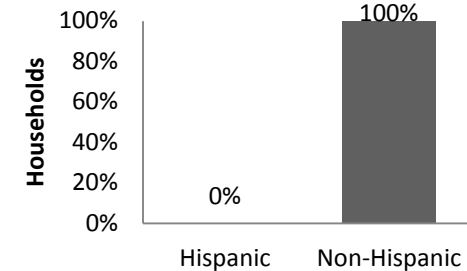
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	2	29%
White	5	71%
Other	0	0%

HOME PROGRAM OWNER PROGRAMS

PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	0	0%
Non-Hispanic	7	100%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 5

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	\$1,106,328	11	\$3,031	6	\$30,000	1	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$150,589	32	\$0	0	\$2,130,338	182	\$0	0	\$0	0	\$0	0
Total	\$1,106,328	11	\$153,619	38	\$30,000	1	\$2,130,338	182	\$0	0	\$0	0	\$0	0

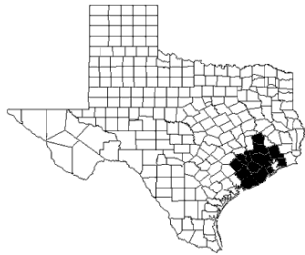
FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 5

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$149,393	32	\$0	0	\$1,934,547	165	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$521,184	4	\$4,227	6	\$30,000	1	\$195,791	17	\$0	0	\$0	0	\$0	0
Low Income (61-80 AMFI)	\$317,632	4	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$267,513	3	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$1,106,328	11	\$153,619	38	\$30,000	1	\$2,130,338	182	\$0	0	\$0	0	\$0	0

TDHCA allocated \$3,420,286 in Region 5 during FY 2015. Renter programs accounted for the largest segment of this total and the extremely low-income households group (0-30% AMFI) was the most served income group.

Statement of Activities by Region

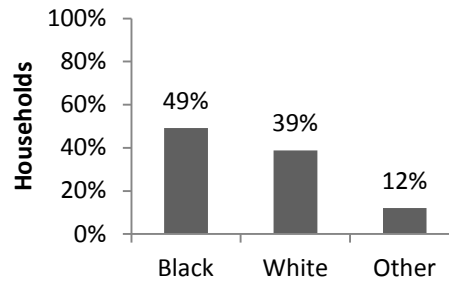
REGION 6



These charts represent the racial and ethnic composition of households served in FY 2015.

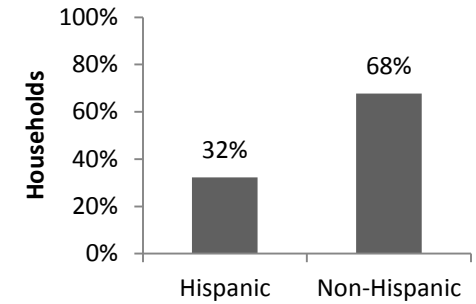
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	57,249	49%
White	45,145	39%
Other	14,119	12%

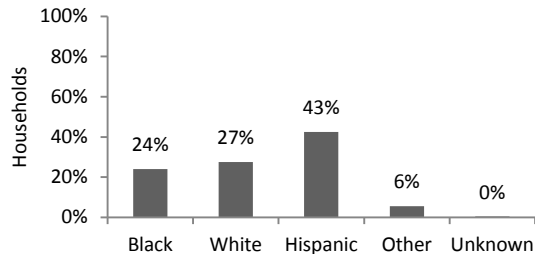
RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	37,785	32%
Non-Hispanic	79,221	68%

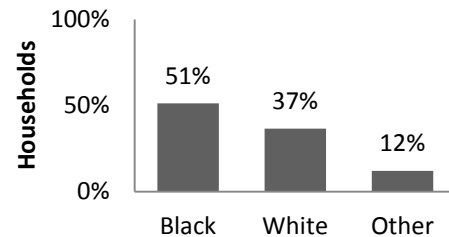
SINGLE FAMILY HOMEOWNERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE



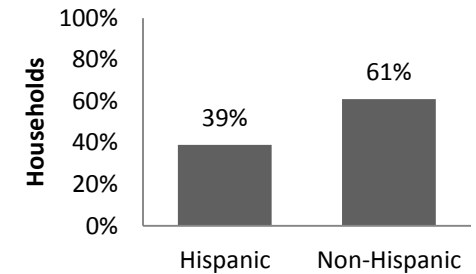
Race	Ethnicity	Households	Percent
Black		220	24%
White		251	27%
	Hispanic	389	43%
Other		51	6%
Unknown		4	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	17	33%
White	28	55%
other	6	12%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	16	39%
Non-Hispanic	25	61%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 6

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Homeowner Programs	\$117,930,381	915	\$685,161	17	\$466,783	24	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$1,095,922	41	\$0	0	\$14,868,853	1,372	\$915,236	195	\$0	0	\$3,030,049	458
Total	\$117,930,381	915	\$1,781,083	58	\$466,783	24	\$14,868,853	1,372	\$915,236	195	\$0	0	\$3,030,049	458

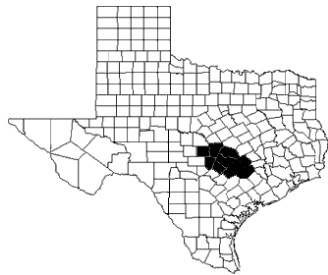
FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 6

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$897,071	15	\$1,244,575	33	\$130,119	7	\$12,753,881	1,192	\$777,988	165	\$0	0	\$2,574,671	345
Very Low Income (31-60 AMFI)	\$32,434,037	316	\$520,893	23	\$257,030	13	\$2,114,972	180	\$137,248	30	\$0	0	\$419,451	90
Low Income (61-80 AMFI)	\$46,572,915	344	\$15,615	2	\$79,634	4	\$0	0	\$0	0	\$0	0	\$35,927	22
Moderate Income (>80 AMFI)	\$38,026,359	240	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1
Total	\$117,930,381	915	\$1,781,083	58	\$466,783	24	\$14,868,853	1,372	\$915,236	195	\$0	0	\$3,030,049	458

TDHCA allocated \$138,992,385 in Region 6 during FY 2015. Homeowner programs accounted for the largest segment of this total and the low income households group (61-80% AMFI) was the most served income group.

Statement of Activities by Region

REGION 7

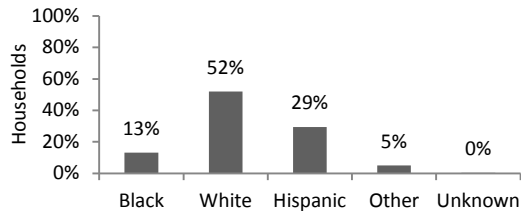


These charts represent the racial and ethnic composition of households served in FY 2015.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

SINGLE FAMILY HOMEOWNERSHIP PROGRAM

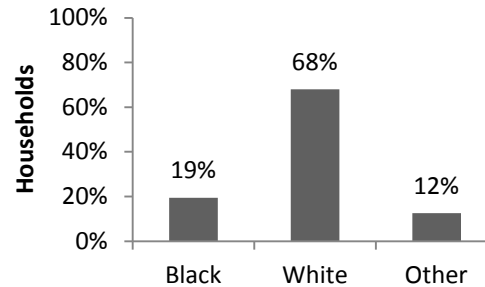
PERCENT OF EXPENDED FUNDS BY RACE



Race	Ethnicity	Households	Percent
Black		88	13%
White		344	52%
	Hispanic	195	29%
Other		33	5%
Unknown		3	0%

RENTER PROGRAMS

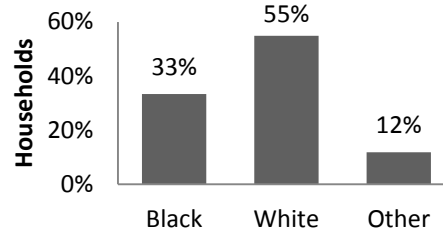
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	6,558	19%
White	22,933	68%
Other	4,205	12%

HOME PROGRAM OWNER PROGRAMS

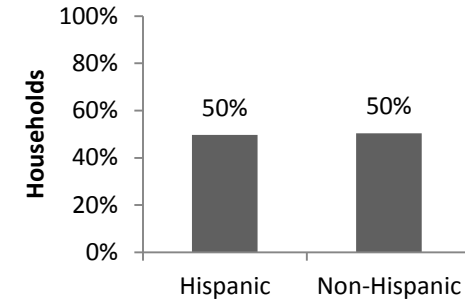
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	17	33%
White	28	55%
Other	6	12%

RENTER PROGRAMS

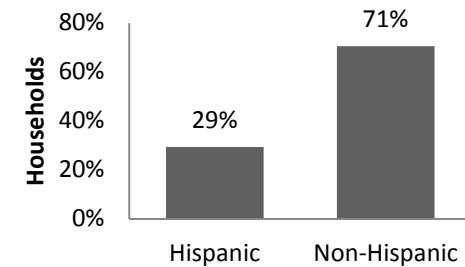
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	17,097	50%
Non-Hispanic	17,311	50%

HOME PROGRAM OWNER PROGRAMS

PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	15	29%
Non-Hispanic	36	71%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 7

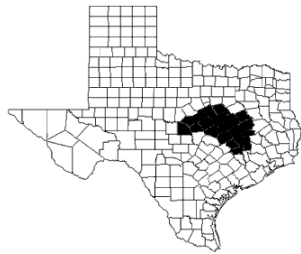
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	61,178,433	663	95,987	5	1,134,360	46	0	0	0	0	0	0	0	0
Renter Programs	0	0	5,688,697	85	5,016	1	4,478,892	380	4,260,064	1,000	0	0	258,991	59
Total	\$61,178,433	663	\$5,784,684	90	\$1,139,376	47	\$4,478,892	380	\$4,260,064	1,000	\$0	0	\$258,991	59

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 7

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$889,528	9	\$2,448,199	51	\$354,644	17	\$3,956,338	334	\$4,260,064	1,000	\$0	0	\$251,536	52
Very Low Income (31-60 AMFI)	\$21,768,243	270	\$136,485	11	\$647,490	23	\$522,554	46	\$0	0	\$0	0	\$7,455	5
Low Income (61-80 AMFI)	\$23,739,064	256	\$3,200,000	28	\$137,243	7	\$0	0	\$0	0	\$0	0	\$0	2
Moderate Income (>80 AMFI)	\$14,781,598	128	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$61,178,433	663	\$5,784,684	90	\$1,139,376	47	\$4,478,892	380	\$4,260,064	1,000	\$0	0	\$258,991	59

TDHCA allocated \$77,100,441 in Region 7 during FY 2015. Homeowner programs accounted for the largest segment of this total and the low income households group (61-80% AMFI) was the most served income group.

REGION 8



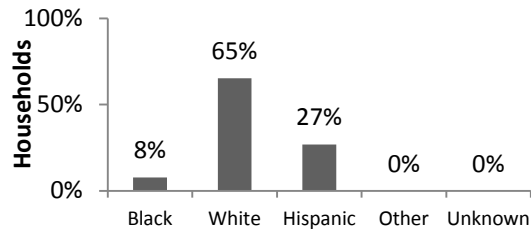
These charts represent the racial and ethnic composition of households served in FY

2015.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

SINGLE FAMILY HOMEOWNERSHIP PROGRAM

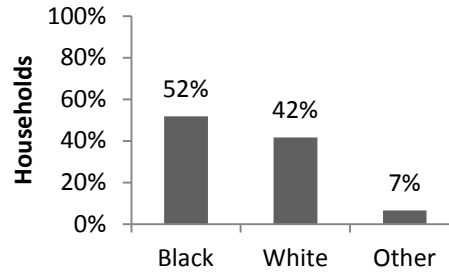
PERCENT OF EXPENDED FUNDS BY RACE



Race	Ethnicity	Households	Percent
Black		2	8%
White		17	65%
	Hispanic	7	27%
Other		0	0%
Unknown		0	0%

RENTER PROGRAMS

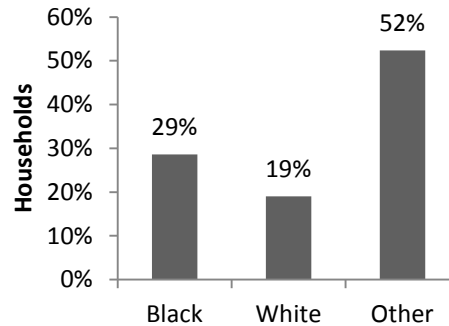
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	5,850	52%
White	4,691	42%
Other	747	7%

HOME PROGRAM OWNER PROGRAMS

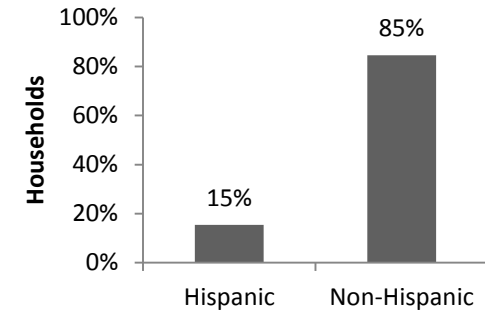
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	6	29%
White	4	19%
Other	11	52%

RENTER PROGRAMS

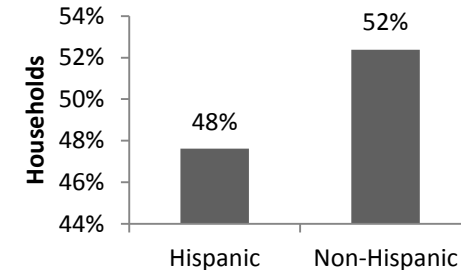
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	1,735	15%
Non-Hispanic	9,571	85%

HOME PROGRAM OWNER PROGRAMS

PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	10	48%
Non-Hispanic	11	52%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 8

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	2,754,084	26	274,120	8	582,500	13	0	0	0	0	0	0	0	0
Renter Programs	0	0	44,851	17	0	0	4,504,561	385	0	0	0	0	117,089	30
Total	2,754,084	26	\$318,971	25	\$582,500	13	\$4,504,561	385	\$0	0	\$0	0	\$117,089	30

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 8

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$37,999	1	\$294,828	17	\$45,000	1	\$3,820,092	325	\$0	0	\$0	0	\$111,701	26
Very Low Income (31-60 AMFI)	\$1,048,128	13	\$14,143	7	\$492,500	11	\$684,469	60	\$0	0	\$0	0	\$5,388	4
Low Income (61-80 AMFI)	\$794,008	6	\$10,000	1	\$45,000	1	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$873,949	6	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$2,754,084	26	\$318,971	25	\$582,500	13	\$4,504,561	385	\$0	0	\$0	0	\$117,089	30

TDHCA allocated \$8,277,205 in Region 8 during FY 2015. Renter programs accounted for the largest segment of this total and the extremely low income households group (0-30% AMFI) was the most served income group.

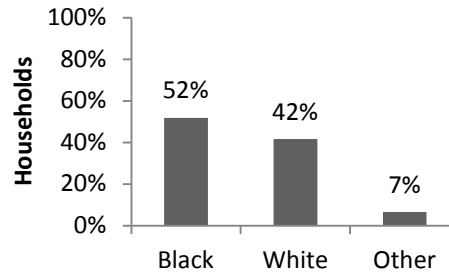
REGION 9



These charts represent the racial and ethnic composition of households served in FY 2015.

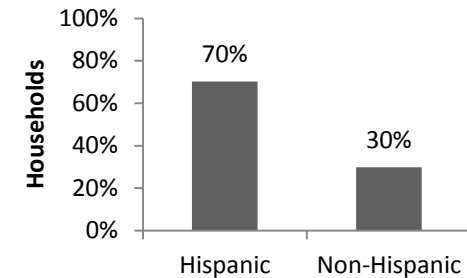
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



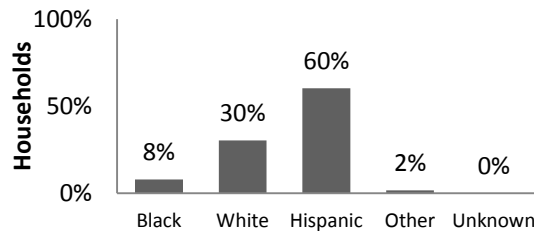
Race	Households	Percent
Black	5,922	15%
White	28,770	75%
Other	3,697	10%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



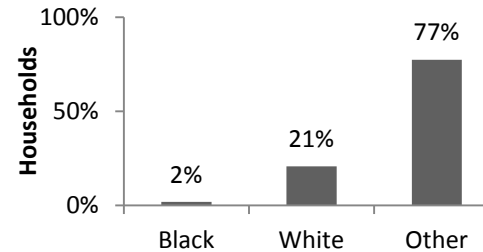
Ethnicity	Households	Percent
Hispanic	26,957	70%
Non-Hispanic	11,439	30%

SINGLE FAMILY HOMEOWNERSHIP PROGRAM
PERCENT OF EXPENDED FUNDS BY RACE



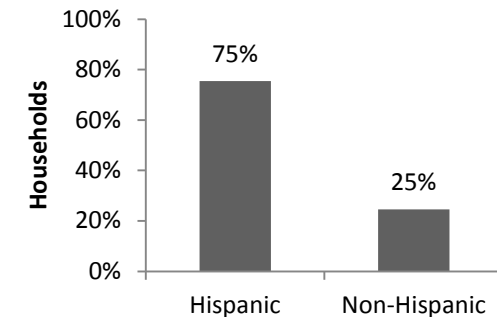
Race	Ethnicity	Households	Percent
Black		20	8%
White		78	30%
	Hispanic	155	60%
Other		4	2%
Unknown		0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	1	2%
White	11	21%
Other	41	77%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	40	75%
Non-Hispanic	13	25%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 9

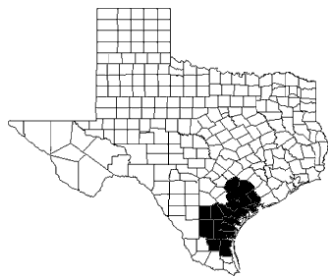
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	30,544,214	257	0	7	1,431,578	46	0	0	0	0	0	0	0	0
Renter Programs	0	0	1,567,978	124	0	0	4,669,120	391	1,751,166	378	0	0	77,829	19
Total	30,544,214	257	\$1,567,978	131	\$1,431,578	46	\$4,669,120	391	\$1,751,166	378	\$0	0	\$77,829	19

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 9

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$226,195	3	\$1,383,268	92	\$39,668	2	\$4,190,125	351	\$1,734,658	375	\$0	0	\$75,105	18
Very Low Income (31-60 AMFI)	\$8,089,067	87	\$184,710	39	\$1,312,703	40	\$478,995	40	\$16,508	3	\$0	0	\$2,724	1
Low Income (61-80 AMFI)	\$10,806,436	90	\$0	0	\$79,207	4	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$11,422,516	77	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$30,544,214	257	\$1,567,978	131	\$1,431,578	46	\$4,669,120	391	\$1,751,166	378	\$0	0	\$77,829	19

TDHCA allocated \$40,041,885 in Region 9 during FY 2015. Homeowner programs accounted for the largest segment of this total and the moderate income households group (>80% AMFI) was the most served income group.

REGION 10

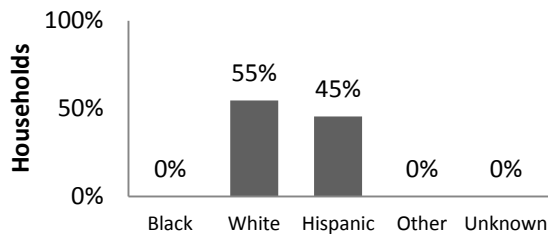


These charts represent the racial and ethnic composition of households served in FY 2015.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

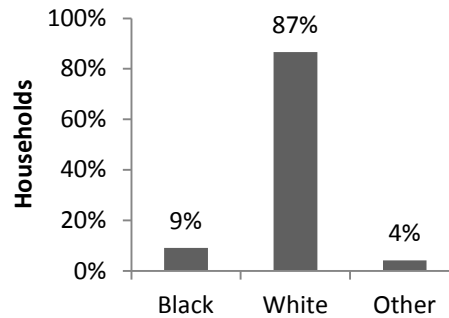
SINGLE FAMILY HOMEOWNERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE



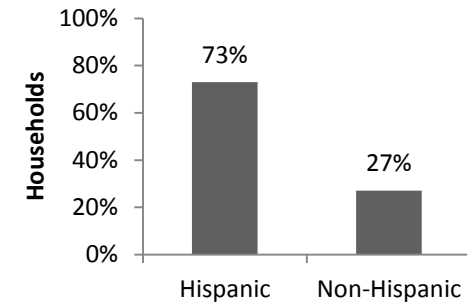
Race	Ethnicity	Households	Percent
Black		0	0%
White		12	55%
	Hispanic	10	45%
Other		0	0%
Unknown		0	0%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



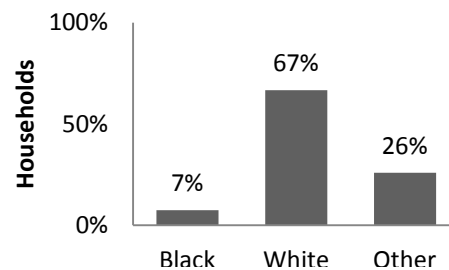
Race	Households	Percent
Black	1,164	9%
White	11,062	87%
Other	542	4%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



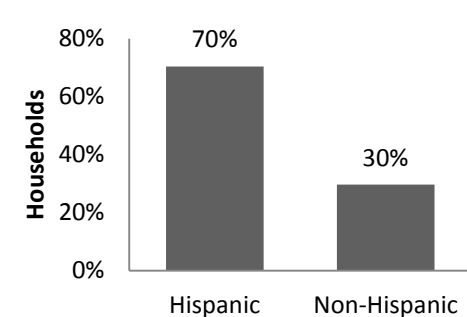
Ethnicity	Households	Percent
Hispanic	9,311	73%
Non-Hispanic	3,458	27%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	2	7%
White	18	67%
Other	7	26%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	19	70%
Non-Hispanic	8	30%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 10

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	1,844,773	22	380,087	18	289,997	9	0	0	0	0	0	0	0	0
Renter Programs	0	0	827,540	28	0	0	3,880,465	311	0	0	0	0	0	0
Total	1,844,773	22	\$1,207,627	46	\$289,997	9	\$3,880,465	311	\$0	0	\$0	0	\$0	0

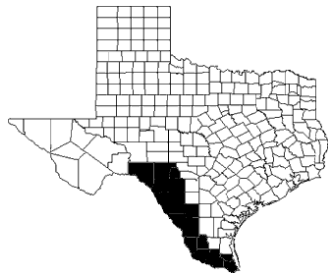
FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 10

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$820,158	32	\$20,000	1	\$3,398,124	271	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$495,520	8	\$387,469	13	\$230,000	6	\$482,341	40	\$0	0	\$0	0	\$0	0
Low Income (61-80 AMFI)	\$840,989	8	\$0	1	\$39,997	2	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$508,264	6	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$1,844,773	22	\$1,207,627	46	\$289,997	9	\$3,880,465	311	\$0	0	\$0	0	\$0	0

TDHCA allocated \$7,222,863 in Region 10 during FY 2015. Renter programs accounted for the largest segment of this total and the extremely low-income households group (0-30% AMFI) was the most served income group.

Statement of Activities by Region

REGION 11

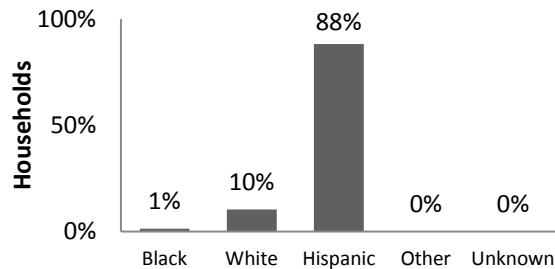


These charts represent the racial and ethnic composition of households served in FY 2015.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

SINGLE FAMILY HOMEOWNERSHIP PROGRAM

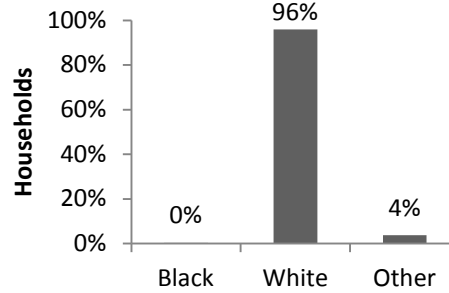
PERCENT OF EXPENDED FUNDS BY RACE



Race	Ethnicity	Households	Percent
Black		1	1%
White		8	10%
	Hispanic	68	88%
Other		0	0%
Unknown		0	0%

RENTER PROGRAMS

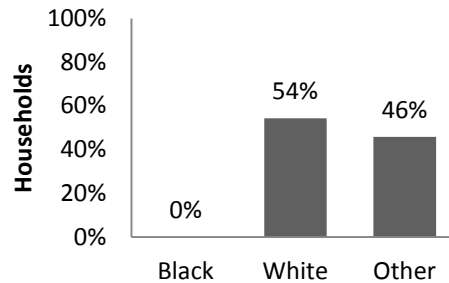
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	100	0%
White	26,607	96%
Other	1,033	4%

HOME PROGRAM OWNER PROGRAMS

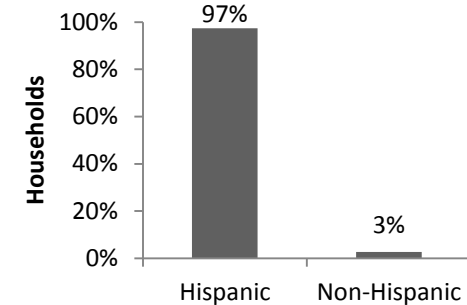
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	0	0%
White	19	54%
Other	16	46%

RENTER PROGRAMS

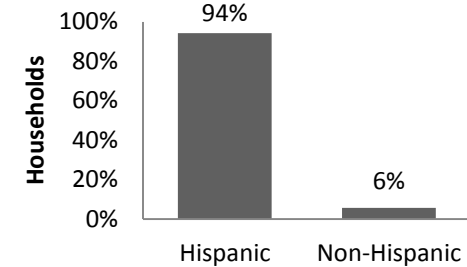
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	27,174	97%
Non-Hispanic	736	3%

HOME PROGRAM OWNER PROGRAMS

PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	33	94%
Non-Hispanic	2	6%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 11

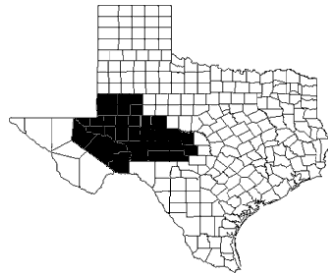
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Homeowner Programs	8,840,270	77	493,759	22	474,548	13	0	0	0	0	0	0	0	0
Renter Programs	0	0	502,868	7	19,765	1	7,568,741	620	0	0	0	0	0	0
Total	\$8,840,270	77	\$996,627	29	\$494,313	14	\$7,568,741	620	\$0	0	\$0	0	\$0	0

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 11

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$303,745	3	\$608,893	12	\$39,765	2	\$6,831,258	560	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$2,545,109	27	\$367,237	15	\$377,088	10	\$737,483	60	\$0	0	\$0	0	\$0	0
Low Income (61-80 AMFI)	\$2,986,890	25	\$20,497	2	\$77,460	2	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$3,004,527	22	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$8,840,270	77	\$996,627	29	\$494,313	14	\$7,568,741	620	\$0	0	\$0	0	\$0	0

TDHCA allocated \$17,899,951 in Region 11 during FY 2015. Homeowner programs accounted for the largest segment of this total and the extremely low-income households group (0-30% AMFI) was the most served income group.

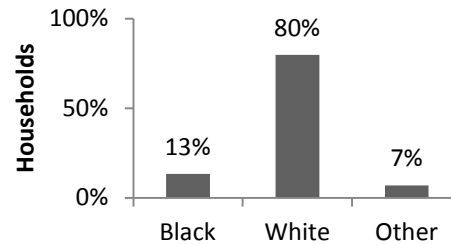
REGION 12



These charts represent the racial and ethnic composition of households served in FY 2015.

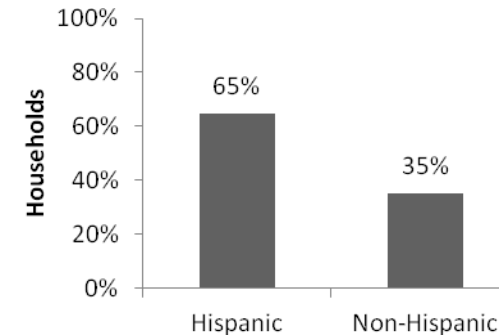
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	835	13%
White	4,987	80%
Other	436	7%

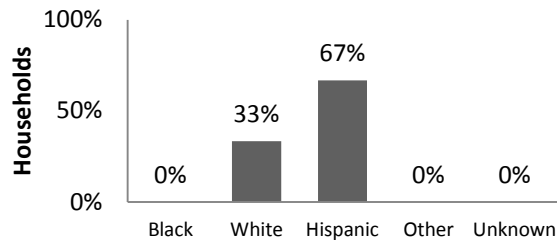
RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	4,048	65%
Non-Hispanic	2,220	35%

SINGLE FAMILY HOMEOWNERSHIP PROGRAM

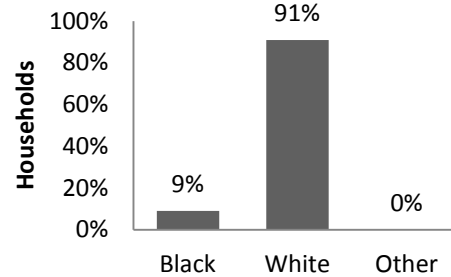
PERCENT OF EXPENDED FUNDS BY RACE



Race	Ethnicity	Households	Percent
Black		0	0%
White		3	33%
	Hispanic	6	67%
Other		0	0%
Unknown		0	0%

HOME PROGRAM OWNER PROGRAMS

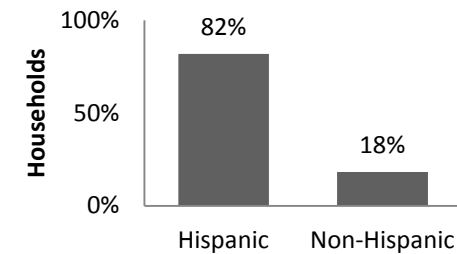
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	1	9%
White	10	91%
Other	-	0%

HOME PROGRAM OWNER PROGRAMS

PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	9	82%
Non-Hispanic	2	18%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 12

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	1,173,346	9	290,147	8	49,326	3	0	0	0	0	0	0	0	0
Renter Programs	0	0	2,645,666	49	0	0	1,533,490	161	2,228,577	413	0	0	0	0
Total	\$1,173,346	9	\$2,935,812	57	\$49,326	3	\$1,533,490	161	\$2,228,577	413	\$0	0	\$0	0

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 12

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$1,792,785	34	\$29,910	2	\$1,394,058	146	\$2,211,024	410	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$118,563	1	\$1,042,233	17	\$0	0	\$139,432	15	\$17,553	3	\$0	0	\$0	0
Low Income (61-80 AMFI)	\$781,678	6	\$100,794	6	\$19,417	1	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$273,105	2	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$1,173,346	9	\$2,935,812	57	\$49,326	3	\$1,533,490	161	\$2,228,577	413	\$0	0	\$0	0

TDHCA allocated \$7,949,989 in Region 12 during FY 2014. Renter programs accounted for the largest segment of this total and the extremely low-income households group (0-30% AMFI) was the most served income group.

REGION 13

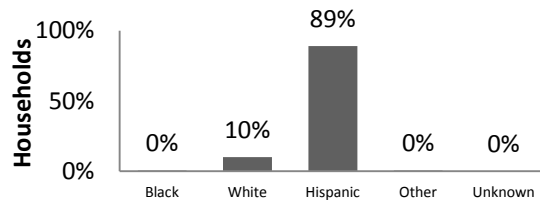


These charts represent the racial and ethnic composition of households served in FY 2015.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

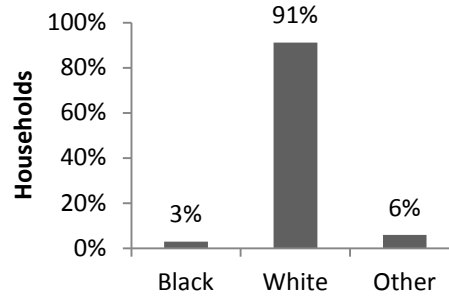
SINGLE FAMILY HOMEOWNERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE



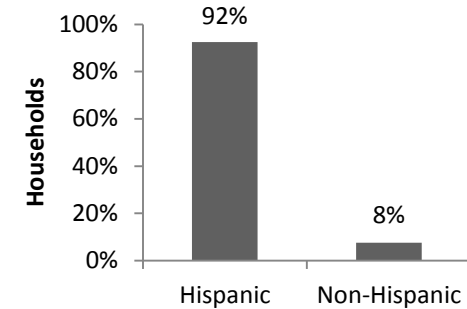
Race	Ethnicity	Households	Percent
Black		1	0%
White		21	10%
	Hispanic	186	89%
Other		1	0%
Unknown		0	0%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



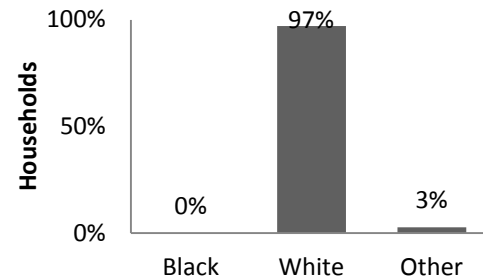
Race	Households	Percent
Black	420	3%
White	12,904	91%
Other	830	6%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



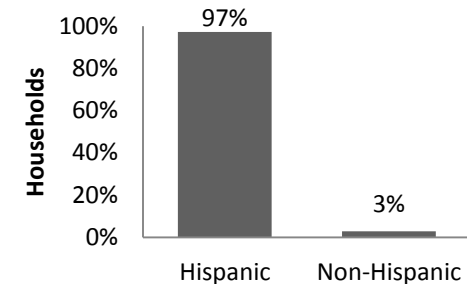
Ethnicity	Households	Percent
Hispanic	13,107	92%
Non-Hispanic	1,067	8%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	-	0%
White	35	97%
Other	1	3%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	35	97%
Non-Hispanic	1	3%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 13

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	25,918,389	209	979,601	24	252,220	12	0	0	0	0	0	0	0	0
Renter Programs	0	0	40,235	6	0	0	5,124,228	494	8,401,901	1,590	7,000,000	100	0	1
Total	\$25,918,389	209	\$1,019,836	30	\$252,220	12	\$5,124,228	494	\$8,401,901	1590	\$7,000,000	100	\$0	1

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 13

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$675,445	9	\$327,337	14	\$78,914	4	\$3,758,225	351	\$8,401,901	1,590	\$0	0	\$0	1
Very Low Income (31-60 AMFI)	\$10,967,875	96	\$611,325	14	\$119,306	6	\$1,366,003	143	\$0	0	\$7,000,000	100	\$0	0
Low Income (61-80 AMFI)	\$7,117,902	55	\$81,174	2	\$54,000	2	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	7157167.1	49	\$0	0	\$0	0	\$0	0	0	0	\$0	0	\$0	0
Total	\$25,918,389	209	\$1,019,836	30	\$252,220	12	\$5,124,228	494	\$8,401,901	1590	\$7,000,000	\$100	\$0	1

TDHCA allocated \$47,716,574 in Region 13 during FY 2015. Homeowner programs accounted for the largest segment of this total and the very low income households group (31-60% 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 a fair housing agency or federal court found 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

Texas Government Code §2306.111(d) requires that TDHCA use a Regional Allocation Formula (“RAF”) to allocate its 9% HTC 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 across the state, this section of the Plan discusses the geographical distribution of HTCs.

The Department allocated \$91,819,625 in HTCs through the Competitive HTC application process during the 2015 FY. 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/>. The map on the following page displays the geographic distribution of the FY 2015 9% and 4% awards. TDHCA received \$369,741 in tax credits from the federal pool of unused funds. There were no remaining credits for the 2014 HTC cycle year at the end of the calendar year. As of August 31, 2015, there was \$611,297 unused credits remaining for the 2015 HTC cycle; these funds will continue to be allocated through the end of the calendar year.

REGIONAL ALLOCATION FORMULA

The table below shows the funding distribution of 2015 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 a statewide pool. The most under-served sub-regions are ranked and, if possible, additional awards are made in out of the statewide pool. If a region does not have enough qualified applications to meet its regional credit distribution target, then those credits will collapse to the statewide pool of remaining credits.

Region	All HTCs	% of all HTCs	4% HTCs	% of all 4% HTCs	9% HTCs	% of all 9% HTCs	Targeted 9% dist. under RAF	Diff. between actual & targeted
1	\$2,051,575	2.2%	\$0	0.0%	\$2,051,575	2.9%	3.75%	-0.81%
2	\$1,545,622	1.7%	\$0	0.0%	\$1,545,622	2.2%	2.02%	0.19%
3	\$16,469,714	17.9%	\$4,462,130	20.3%	\$12,007,584	17.2%	23.15%	-5.95%
4	\$5,437,082	5.9%	\$0	0.0%	\$5,437,082	7.8%	4.84%	2.95%
5	\$2,130,338	2.3%	\$0	0.0%	\$2,130,338	3.1%	3.23%	-0.18%
6	\$15,784,089	17.2%	\$915,236	4.2%	\$14,868,853	21.3%	19.96%	1.34%
7	\$8,738,956	9.5%	\$4,260,064	19.3%	\$4,478,892	6.4%	7.89%	-1.47%
8	\$4,504,561	4.9%	\$0	0.0%	\$4,504,561	6.5%	3.71%	2.74%
9	\$6,420,286	7.0%	\$1,751,166	8.0%	\$4,669,120	6.7%	8.88%	-2.19%
10	\$3,880,465	4.2%	\$0	0.0%	\$3,880,465	5.6%	3.36%	2.20%
11	\$7,568,741	8.2%	\$0	0.0%	\$7,568,741	10.8%	11.92%	-1.08%
12	\$3,762,067	4.1%	\$2,228,577	10.1%	\$1,533,490	2.2%	2.28%	-0.08%
13	\$13,526,129	14.7%	\$8,401,901	38.2%	\$5,124,228	7.3%	5.01%	2.33%
Total	\$91,819,625	100.0%	\$22,019,074	100.0%	\$69,800,551	100.0%	100%	

SECTION 4: ACTION PLAN

In response to the needs identified in the Housing Analysis, this Plan outlines Texas Department of Housing and Community Affairs' ("TDHCA" or "the Department") course of action designed to meet those underserved needs. This section discusses the following:

- **TDHCA Programs**
 - Description of TDHCA's programs, including funding source, administrator, purpose, targeted population, allocation, budget and contact information
- **Housing Support Continuum**
 - Activities undertaken by each TDHCA program that address the varying need of a low-income household
- **Goals and Objectives**
 - Program performance targets based upon measures developed with the State's Legislative Budget Board and the Governor's Office of Budget, Planning and Policy
- **Regional Allocation Plans**
 - Distribution of TDHCA's resources across the 13 State Service Regions
- **Policy Initiatives**
 - 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 housing opportunities
- **Special Needs Populations**
 - Populations that have unique needs related to housing

2016 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.

The Housing and Economic Recovery Act of 2008 ("HERA") created certain programs intended to help stimulate the economy. While no new funding is being provided to Texas, the Neighborhood Stabilization Program ("NSP"), is still actively managing ongoing activities under the Single Family Operations and Services Division. The Department also continues to manage program income as loans initially made under NSP are repaid.

A list of TDHCA programs available for administrators in State Fiscal Year (“SFY”) 2016, organized by their Division, follows:

Community Affairs Division

- Community Services Block Grant (“CSBG”) Program
- Comprehensive Energy Assistance Program (“CEAP”)
- Emergency Solutions Grants Program (“ESG”)
- Homeless Housing and Services Program (“HHSP”)
- Section 8 Housing Choice Voucher Program (“Section 8”)
- Weatherization Assistance Program (“WAP”)

HOME Investment Partnerships Program (“HOME”) Single Family Program Division

- Contract for Deed Conversion Program
- Single Family Development
- Tenant-Based Rental Assistance (“TBRA”)
- Homebuyer Assistance (“HBA”)
- Homeowner Rehabilitation Assistance (“HRA”)

Single Family Operations and Services Division (includes the Housing Trust Fund (“HTF”) and the Office of Colonia Initiatives (“OCI”))

- Amy Young Barrier Removal Program
- Colonia Self-Help Center (“SHC”) Program
- Contract for Deed Conversion Program Assistance Grants
- Texas Bootstrap Loan Program
- Neighborhood Stabilization Program

Manufactured Housing Division

Multifamily Finance Division

- Housing Tax Credit (“HTC”) Program
- Multifamily Bond Program
- Multifamily Direct Loan Rental Housing Development

Section 811 Program Division

Texas Homeownership Division

- My First Texas Home Program
- Mortgage Credit Certificate (“MCC”) Program
- Texas Statewide Homebuyer Education Program

COMMUNITY AFFAIRS DIVISION

The Community Affairs Division offers the Community Services Block Grant Program (“CSBG”), Comprehensive Energy Assistance Program (“CEAP”), Emergency Solutions Grants Program (“ESG”), Homeless Housing and Services Program (“HHSP”), Section 8 Housing Choice Voucher Program (“Section 8”), and Weatherization Assistance Program (“WAP”).



Caption will be provided in the final version of this document.

CSBG receives funds from the U.S. Department of Health and Human Services (“USHHS”) for CSBG-eligible entities and other human service delivery organizations to fund activities that support the intent of the CSBG Act. CSBG provides program and administrative support funds to Community Action Agencies (“CAAs”) and other human service delivery organizations that offer emergency and poverty-related programs to income-eligible persons.

Ninety-percent of the funds must be provided to eligible entities as 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 each 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.

Through CSBG, Texas provides program and administrative support to 41 CSBG-eligible entities and other human services delivery organizations. 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 ratio of inverse population density is given 2 percent weight.

Up to five percent of the State's CSBG allocation may be used for discretionary activities. In recent years, the Department has developed a new focus for this every two years. Current activities include (1) providing assistance to CSBG eligible entities needing to make operational improvements; (2) supporting assessment, training and technical assistance needs of the CSBG-eligible entities; and (3) supporting peer-to-peer training and technical assistance among agencies administering the CSBG funds. The Department also uses CSBG State discretionary funds to support organizations administering projects that address the causes of poverty and promote client self-sufficiency in Native American and migrant or seasonal Farmworker communities, 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.

CSBG funding for FY 2016 is estimated at \$32,267,297. The exact 2016 allocation is not known at this time; however, it is possible that CSBG funding will be reduced.

CONTACT: For assistance, individuals should contact the local CSBG eligible entity, which can be found online at <http://www.tdhca.state.tx.us/texans.htm> by selecting "Emergency and Homeless Services" or by calling the Housing Resource Center at 800-525-0657. Program administrators who need more information may call Rita Gonzales-Garza, Community Affairs Division, at (512) 475-3905.

ONLINE DOCUMENTS: The CSBG State Plan and other documents may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/community-affairs/csbg/index.htm>.

FUNDING SOURCE: USHHS

TYPE OF ASSISTANCE: Grants

RECIPIENTS: CAAs and other human service delivery organizations

TARGETED BENEFICIARIES: Persons at or below 125 percent of the federal poverty guidelines

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 income-eligible households. TDHCA administers the program through a network of 40 CEAP subrecipients. The subrecipients consist of CAAs, nonprofit entities, and units of local government. Through December 31, 2015, 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. Effective January 1, 2016, the income threshold will rise to at or below 150 percent of federal poverty guidelines.

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).

CEAP funding for FY 2016 is unknown at this time and will depend on federal funding levels.

CONTACT: To connect to the local CEAP provider, persons needing assistance may go online at <http://www.tdhca.state.tx.us/texans.htm> or call 1-877-399-8939 from a landline phone. Program administrators can call Marco Cruz, Community Affairs Division, at 512-475-3860.

ONLINE DOCUMENTS: The Energy Assistance Plans and Rules may be accessed online at <http://www.tdhca.state.tx.us/community-affairs/ceap/>.

FUNDING SOURCE: USHHS' LIHEAP grant

TYPE OF ASSISTANCE: Grants

RECIPIENTS: CAAs, nonprofits and local governments

TARGETED BENEFICIARIES: Households with income at or below 125 percent of federal poverty guidelines through December 31, 2015. Households with income at or below 150 percent of federal poverty guidelines beginning January 1, 2016.

EMERGENCY SOLUTIONS GRANTS PROGRAM

ESG, previously known as the Emergency Shelter Grants Program ("ESGP"), is funded through the U.S. Department of Housing and Urban Development ("HUD") and awards grants to units of local government and private nonprofit entities that provide persons experiencing homelessness and at risk of homelessness, the services necessary to quickly regain stability in permanent housing. ESG funds may also be used for renovation and rehabilitation of existing shelters.

TDHCA programs its ESG funds regionally for each of the HUD-designated Continuum of Care ("CoC") Regions according to a combination of the region's proportionate share of the state's total homeless population, based on the Point-in-Time count submitted to HUD by the CoCs, and the region's proportionate share of people living in poverty, based on the American Community Survey ("ACS") poverty data published by the Census Bureau. For the purposes of distributing funds, the percentage of statewide homeless population is weighted at 75% while the percentage of statewide population in poverty is weighted at 25%. For the 2015 ESG application cycle, the top scoring applications in each CoC region were recommended for funding, based on the amount of funds available for that region. The Department received 37 applications and funded 26 entities for a total of \$8,563,103, which is the allocation to TDHCA minus funds held for administration. .

ESG anticipated funding for state FY 2016 is either the same amount or less than FY 2015, which was \$8,891,395.

CONTACT: Individuals seeking assistance may search for providers in their area online at <http://www.tdhca.state.tx.us/texans.htm> or by calling the Housing Resource Center at 800-525-0657.

Organizations interested in becoming program administrators may call Naomi Trejo, Community Affairs Division, at (512) 475-3975.

ONLINE DOCUMENTS: See the *State of Texas Consolidated Plan: One Year Action Plan* at <http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm#consolidated> for further details on ESG.

FUNDING SOURCE: HUD

TYPE OF ASSISTANCE: Grants

RECIPIENTS: Local governments and nonprofit entities

TARGETED BENEFICIARIES: Homeless persons or those at risk of homelessness; persons at-risk of homelessness who receive homelessness prevention assistance must have incomes less than 30 percent Area Median Family Income (“AMFI”)

HOMELESS HOUSING AND SERVICES PROGRAM

HHSP was established by the 81st Texas Legislature and codified in statute by the 82nd Legislature. HHSP funds are for the purpose of assisting major urban areas identified in statute in providing housing and services to homeless individuals and families, as well as provide local programs to prevent and eliminate homelessness.

The 84th Legislature appropriated \$10 million in General Revenue funds for the 2016-2017 biennium. Five million will be allocated to the designated urban areas in PY 2016; based on population this is currently the eight largest cities in Texas. Allocation is based on percentage of persons in poverty, veteran population, persons with disabilities, and point-in-time count of homeless persons. The second \$5 million will be available to the designated urban areas after the beginning of PY 2017 and after the area has expended all PY 2016 funds.

CONTACT: HHSP Sub-grantees may be found by calling the Housing Resource Center at 800-525-0657. Program administrators can call Naomi Trejo, Community Affairs Division, at (512) 475-3975.

ONLINE DOCUMENTS: More HHSP information may be accessed online at <http://www.tdhca.state.tx.us/community-affairs/hhsp/>.

FUNDING SOURCE: State General Revenue Funds

TYPE OF ASSISTANCE: GRANTS.

RECIPIENTS: Local governments and nonprofit entities in the State's eight largest cities: Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston and San Antonio.

TARGETED BENEFICIARIES: Homeless persons or those at risk of homelessness, 30 percent HUD's Extremely Low Income.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

TDHCA serves as a public housing authority and receives funding for the Section 8 Program from HUD for counties included in TDHCA's PHA Plan. 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 administers approximately 850 housing choice vouchers. The Department administers vouchers in 20 counties.

The TDHCA Section 8 Program generally 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 AMFI. Eligibility is based on several factors, including the household's income, size and composition, citizenship status, assets and medical and childcare expenses. Additionally, a portion of TDHCA's Section 8 vouchers are utilized anywhere in the state for the Project Access Program, which assists low-income persons with disabilities in transitioning from institutions into the community by providing access to affordable housing.

Projected Section 8 Program funding for FY 2015 is unknown at this time and will depend on federal funding levels.

CONTACT: Individuals needing assistance may find a local Section 8 provider online at <http://www.tdhca.state.tx.us/texans.htm> by selecting "Rent Help" or by calling the Housing Resource Center at 800-525-0657. The Community Affairs Division can be reached at (512) 475-3884 or 1-800-237-6500.

ONLINE DOCUMENTS: Additional documentation, including the Section 8 Plan, may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/section-8/>.

FUNDING SOURCE: HUD

TYPE OF ASSISTANCE: Rental subsidy

RECIPIENTS: Households at or below 50 percent AMFI

WEATHERIZATION ASSISTANCE PROGRAM

WAP is funded by the U.S. Department of Energy ("DOE") and USHHS' LIHEAP grant. WAP allocates funding to help low-income households control energy costs through the installation of weatherization (energy-efficient) measures and energy conservation education. The Department administers WAP through a network of 23 WAP subrecipients. The subrecipients consist of CAAs, 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 for the LIHEAP WAP (increasing to 150 percent effective January 1, 2016) and 200 percent of federal poverty for DOE WAP, 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 allocate 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 WAP funding for FY 2016 is unknown at this time and will depend on federal funding levels.

CONTACT: To connect directly to a local WAP provider, call 211 or 1-888-606-8889, or go online <http://www.tdhca.state.tx.us/texans.htm>. Program administrators can call Marco Cruz, Community Affairs Division at 512-475-3860.

ONLINE DOCUMENTS: The Energy Assistance Plans and Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/community-affairs/wap/>.

FUNDING SOURCE: DOE WAP and USHHS' LIHEAP

TYPE OF ASSISTANCE: Grants

RECIPIENTS: CAAs, nonprofits and local governments

TARGETED BENEFICIARIES: Households with income at or below 125 percent of federal poverty guidelines for the LIHEAP WAP (increasing to 150 percent January 1, 2016) and 200 percent of federal poverty for DOE WAP.

HOME SINGLE FAMILY DIVISION

The HOME Division may offer Homebuyer Assistance, Homeowner Rehabilitation Assistance, Tenant-Based Rental Assistance and other specialty programs, including Single Family Development through Community Housing Development Organization (“CHDO”) Set-Aside funds and Contract for Deed Conversion activities.

The HOME Investment Partnerships Program (HOME) is authorized under the Cranston-Gonzalez National Affordable Housing Act (42 USC Section 12701 et. seq.) and receives funding from HUD.



Caption will be provided in the final version of this document.

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 diverse affordable housing needs of lower income Texans. To achieve this purpose, the HOME Program provides loans and grants through units of general local government, public housing authorities, CHDOs, nonprofit organizations and other eligible entities to provide assistance to eligible households. Annual HOME funds awarded by HUD not set aside under this plan are made available on a regional basis utilizing the Regional Allocation Formula (“RAF”). The HOME RAF can be found in the TDHCA Allocation Plan section of this Action Plan chapter. TDHCA also periodically releases deobligated and program income funds to enhance programmatic activity that is not subject to the RAF. TDHCA provides technical assistance to all

recipients of the HOME Program to ensure that 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 Texas Government Code §2306.111(c) 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. Additionally, federal regulations require a minimum of 15 percent of the annual HOME allocation be reserved for CHDOs. CHDO set-aside projects are owned, developed, or sponsored by the CHDO and result in the development of multifamily rental units or single-family homeownership. In energy efficiency efforts, the HOME Program requires awardees to adhere to the Department's energy efficiency rules.

CONTRACT FOR DEED CONVERSION PROGRAM

The Contract for Deed Conversion Program provides funds to households with contracts for deed for the acquisition and rehabilitation or reconstruction of property occupied by a household, as well as the refinancing of a mortgage loan secured by a deed of trust. CFDC loans through the Department are often more favorable than the household's previous CFDC loan term. These funds are awarded as specified in published Notices of Funding Availability ("NOFAs").

SINGLE FAMILY DEVELOPMENT

Single Family Development is a CHDO set-aside activity. CHDO activities include acquisition and new construction or acquisition of affordable single family housing which must be sold to households at or below 80 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 made available as specified in published NOFAs.

TENANT-BASED RENTAL ASSISTANCE

Tenant-Based Rental Assistance ("TBRA") provides rental subsidy, security and utility deposit assistance. This program 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. If available, additional funds may be set-aside to provide assistance beyond 24 months for individuals that meet certain program requirements. A HOME assisted tenant must also participate in a self-sufficiency program. This program can also be used to address housing issues arising from disasters, whether natural or man-made, as well as for assistance provided under the Persons with Disabilities ("PWD") set-aside. These funds are made available as specified in published NOFAs.

HOMEBUYER ASSISTANCE PROGRAM

The Homebuyer Assistance ("HBA") Program provides down payment and closing cost assistance to eligible homebuyers for the acquisition of affordable single-family housing. Funds may also be made available to perform accessibility modifications. This program can also be used to address housing issues arising from disasters, whether natural or man-made, as well as for assistance provided under the PWD set-aside. These funds are made available as specified in published NOFAs.

HOMEOWNER REHABILITATION ASSISTANCE PROGRAM

The Homeowner Rehabilitation Assistance (“HRA”) Program offers rehabilitation, reconstruction, or new construction, and 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 disasters, whether natural or man-made, as well as for assistance provided under the PWD set-aside. These funds are awarded as specified in published NOFAs.

SUMMARY OF HOME PROGRAM FUNDING FOR FISCAL YEAR 2016

The HOME Program anticipates receiving an estimated \$21,500,000 in federal HOME allocated funds and \$8,000,000 in multifamily and single-family program income for a total of \$29,500,000 funding available for distribution for both single family and multifamily activities. Approximately \$7,500,000 of the annual allocation is used for multifamily activities described more fully under the Multifamily Finance Division section.

CONTACT: Individuals seeking assistance may search for local providers in their area online at <http://www.tdhca.state.tx.us/> or by calling the Housing Resource Center at 800-525-0657. Program administrators can call the HOME Division at (512) 463-8921.

ONLINE DOCUMENTS: 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/>.

FUNDING SOURCE: HUD

TYPE OF ASSISTANCE: Loans and grants

RECIPIENTS: Local service providers: units of local government, public housing authorities, nonprofit organizations, CHDOs and other eligible entities.

TARGETED BENEFICIARIES: AMFI levels are set by program NOFAs and will vary from 60% AMFI to 80% AMFI, depending on the program

SINGLE FAMILY OPERATIONS AND SERVICES DIVISION

One division administers the Housing Trust Fund (“HTF”) Programs, Office of Colonia Initiatives (“OCI”) Programs, and the Neighborhood Stabilization Program. For the 2016-2017 biennium, the HTF offers the Amy Young Barrier Removal Program and Contract for Deed Conversion Program Assistance Grants. For the same biennium, OCI offers the Colonia Self-Help Center (“SHC”) Program and the Texas Bootstrap Loan Program.



Caption will be provided in the final version of this document.

HOUSING TRUST FUND PROGRAMS

The HTF Program receives general revenue appropriations funding from the State of Texas, including the use of loan repayments from previous projects funded with HTF allocations. The HTF is the only State-funded affordable housing program. Funding is awarded as loans or grants to nonprofits, units of local government, councils of government, local mental health authorities, public agencies and public housing authorities. The targeted beneficiaries of the program are low-, very low- and extremely low-income households. The HTF funding level of \$11,792,500 (including program income) for SFY 2016-2017 was programmed through the 2016-2017 *Housing Trust Fund Biennial Plan* and NOFAs were released in accordance with the Plan. In accordance with Rider 15 of the General Appropriations Act (84th Regular Legislative Session), 10 percent of the annual allocation is transferred to the Texas Veteran’s Commission for the purpose of administering a Veterans Housing Assistance Program.

Amy Young Barrier Removal Program

The Amy Young Barrier Removal Program provides one-time grants of up to \$20,000 to persons with disabilities at or below 80 percent AMFI for accessibility modifications and to eliminate life-threatening hazards and correct unsafe conditions. Modifications may include, but are not limited to installing handrails; ramps, buzzing or flashing devices; accessible door and faucet handles; shower grab bars and shower wands; accessible showers, toilets and sinks; and door widening and counter adjustments.

Contract for Deed Conversion Program Assistance Grants

The Contract for Deed Conversion Program Assistance Grants provides capacity building grants to nonprofit organizations providing training and technical assistance to colonia residents at or below 60% AMFI that have a contract for deed. This program provides funds to households with contracts for deed for the acquisition and rehabilitation of property occupied by a household, as well as the refinancing of a mortgage loan secured by a deed of trust. CFDC loans through the Department are often more favorable than the household's previous CFDC loan term..

CONTACT: Glynis Laing, at (512) 936-7800 or htf@tdhca.state.tx.us.

ONLINE DOCUMENTS: <http://www.tdhca.state.tx.us/htf>.

FUNDING SOURCE: Appropriations from the State of Texas, unencumbered fund balances and public and private gifts or grants

TYPE OF ASSISTANCE: Loans and grants

RECIPIENTS: Units of local government, non-profit organizations, for-profit organizations, and public housing authorities.

TARGETED BENEFICIARIES: AMFI levels are set by program NOFA and will vary from 30% AMFI to 80% AMFI, depending on the program activity.

OFFICE OF COLONIA INITIATIVES PROGRAMS

Colonia Self-Help Center Program

Colonia SHCs were established in Cameron/Willacy, El Paso, Hidalgo, Starr and Webb counties per Texas Government Code §2306.582. The Department also established Colonia SHCs in Maverick and Val Verde counties due to their large population of colonia residents and their designation as economically distressed counties. The operation of the Colonia SHCs is funded through a 2.5% set-aside from the Community Development Block Grant ("CDBG") Program, a federal entitlement program administered by the Texas Department of Agriculture. The Colonia SHC Program also allows the Department to establish a Colonia SHC in any other county if the Department deems it necessary and appropriate and that 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 capacity to operate a Colonia SHC.

The 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.

Estimated funding for the PY 2015 the Colonia SHC Program is \$1,537,364. The funding for PY 2016 is currently unavailable.

More detail may be found in *Section 6: Colonia Action Plan*.

CONTACT: Albert Alvidrez at (915) 834-4925 or albert.alvidrez@tdhca.state.tx.us.

ONLINE DOCUMENTS: <http://www.tdhca.state.tx.us/oci/centers>.

FUNDING SOURCE: HUD's CDBG Program

TYPE OF ASSISTANCE: Grants and forgivable loans

RECIPIENTS: Units of local government, nonprofit organizations, public housing authorities and CAAs

TARGETED BENEFICIARIES: Households at or below 80% AMFI within targeted colonias

Texas Bootstrap Loan Program

The Texas Bootstrap Loan Program provides loans to eligible applicants that participate in self-help housing programs overseen by state-certified nonprofit owner-builder housing providers ("NOHPs"). Known 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 through sweat-equity. This program is funded through the HTF. At least two-thirds of Texas Bootstrap loans each fiscal year must be made to borrowers whose property is in a census tract that has a median household income that is not greater than 75 percent of the median state household income.

Texas Bootstrap Loan Program funding for FY 2016 is \$3,000,000.

More detail can be found in *Section 6: Colonia Action Plan*.

CONTACT: Individuals and program administrators can call OCI at 1-800-462-4251 or go online at <http://www.tdhca.state.tx.us/oci>.

ONLINE DOCUMENTS: <http://www.tdhca.state.tx.us/oci/bootstrap.jsp>.

FUNDING SOURCE: HTF, which consists of appropriations from the State of Texas, unencumbered fund balances and public and private gifts or grants

TYPE OF ASSISTANCE: Repayable loans at 0% interest

RECIPIENTS: Nonprofit organizations and Colonia SHCs

TARGETED BENEFICIARIES: Households at or below 60 percent AMFI

NEIGHBORHOOD STABILIZATION PROGRAM

The purpose of the Neighborhood Stabilization Program (“NSP”) 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. In TDHCA’s Housing Support Continuum, NSP is referred to as a “Stimulus Program” since it was created as a result of the Housing and Economic Recovery Act (“HERA”) of 2008, establishing a temporary program meant to address current economic issues. Although no new NSP funding is being provided to Texas, NSP continues to operate and has approximately 600 land bank properties that will be put into final use, which could take several years. Information on NSP will remain in the annual SLIHP until all NSP activities are completed and the program has closed out.

The Department’s *NSP 1 Action Plan Substantial Amendment* requires each subgrantee to set aside at least 35% of their non-administrative allocation to benefit households with incomes less than or equal to 50% Area Median Family Income (“AMFI”). The balance of the award will be used by the subgrantee to purchase abandoned or foreclosed properties to rehabilitate and sell to households earning 120% AMFI or below.

The purpose and eligible uses of funds under NSP3 mirror those of NSP1, with an additional requirement to focus on rental housing.

CONTACT: Administrators can contact Joniel Crim, Program Administrator, NSP, at (512) 475-3865 or Joniel.crim@tdhca.state.tx.us.

ONLINE DOCUMENTS: Additional information may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/nsp/index.htm>

FUNDING SOURCE: 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*. 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*.

TYPE OF ASSISTANCE: Repayable loans at 0% interest and forgivable loans

RECIPIENTS: Units of local governments and nonprofit affordable housing providers which already have NSP funds.

TARGETED BENEFICIARIES: 25% of the award to benefit households with incomes less than or equal to 50% AMFI and the balance of the award will be used to benefit households earning 51%-120% AMFI.

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. This division provides consumers with fair and effective remedies; and provides 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 records ownership of over 60,000 homes per year and inspects over 13,000 home installations per year. Relying on a team of trained inspectors stationed throughout Texas, the Division inspects manufactured homes for warranty issues, habitability and proper installation statewide. Additionally, on behalf of the Department, the Manufactured Housing Division inspects and licenses Migrant Labor Housing Facilities. The Manufactured Housing Division handles over 71,000 incoming calls and over 2,000 walk-in customers per year in its customer service center and investigates approximately 400 consumer complaints a year.

CONTACT: Texas Department of Housing and Community Affairs, Manufactured Housing Division

PO Box 12489

Austin, TX 78711-2489

(512) 475-2200 or 1-800-500-7074

www.tdhca.state.tx.us/mh

MULTIFAMILY FINANCE DIVISION

The Multifamily Finance Division administers the Housing Tax Credit (“HTC”) Program, the Multifamily Bond Program and, the Multifamily Direct Loan Rental Housing Development Program.

HOUSING TAX CREDIT PROGRAM

The HTC Program receives authority from the U.S. Treasury Department to provide tax credits to nonprofits organizations or for-profit developers. The tax credits are sold to investors, creating equity that decreases the need to incur and service debt, the equity generated through that sale allows the property owners to lease units at reduced rents. The targeted beneficiaries of the program are very low-income and extremely low-income families at or below 60 percent of the AMFI. 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. There are two different housing tax credit programs: the 9% Competitive HTC Program and the 4% Non-competitive HTC Program. Under the Competitive HTC Program, the Code authorizes tax credits in the amount of \$2.35 per capita of the state population. TDHCA is the only entity in the state with the authority to allocate HTCs under these programs. As required by the Code the TDHCA develops the HTC Program Qualified Allocation Plan (“QAP”) which establishes the procedures and requirements relating to an allocation of housing tax credits. Pursuant to Section 2306.6724(c) of the Texas Government Code, the Governor shall approve, reject, or modify and approve the Board-approved QAP not later than December 1 of each year.

The distribution of the housing tax credits under the state ceiling are allocated on a regional basis according to the Regional Allocation Formula (“RAF”) pursuant to Texas Government Code §§2306.111(d)(3) and 2306.1115. The HTC RAF can be found in the TDHCA Allocation Plan section of this *Action Plan*. These credits are awarded regionally through a competitive application process where each application is scored based on certain selection criteria reflected in the QAP. Moreover, there are eligibility and threshold requirements that must be met pursuant to the QAP and Uniform Multifamily Rules. Once reviews and underwriting of the highest scoring applications have been completed, the Board considers the recommendations of TDHCA staff and determines a final award list. The 9% Competitive HTC Program has an annual application cycle with pre-applications submitted in January, full applications submitted in March and awards made in July.

The estimated HTC state housing credit ceiling amount for FY 2016 is approximately \$62,001,003.

Under the 4% Non-competitive program, HTCs are awarded to developments that use tax-exempt bonds as a key component of their financing. These tax credit awards are made independent of the annual state housing credit ceiling and are not subject to the RAF. The applications are subject to the eligibility, threshold and underwriting requirements pursuant to the QAP and Uniform Multifamily Rules; however, because the credits associated with these applications do not come from the state housing credit ceiling, the application process is considered non-competitive and the selection criteria identified in the QAP are not applicable. Applications under this program are accepted throughout the year.

Eligible activities under the HTC Program include the new construction, reconstruction or rehabilitation of residential units that will be required to maintain affordable rents for an extended period of time. Rehabilitation developments must meet a minimum threshold for rehabilitation costs per unit. The minimum threshold varies depending on both the age of the property and the other financing involved in the development and are further identified in Chapter 10 of the Uniform Multifamily Rules, Section 10.101(b)(3).

In an effort to promote greater energy efficiency, the HTC Program requires developments to adhere to the statewide energy code and provide Energy Star Rated appliances. There are also additional threshold and/or selection criteria for the use of energy-efficient alternative construction materials including R-15 wall and R-30 ceiling insulation, 14 SEER or greater (seasonal energy efficiency ratio) or greater cooling units and numerous green building initiatives.

MULTIFAMILY BOND PROGRAM

The TDHCA issues tax-exempt and taxable multifamily bonds under its Private Activity Bond (“PAB”) Program to provide loans for the development of affordable rental housing to nonprofit and for-profit developers who assist very low- to moderate-income Texans. The authority to issue PABs is derived from the Internal Revenue Code and the state’s PAB program is administered by the Texas Bond Review Board (“BRB”). Pursuant to Section 1372 of the Texas Government Code, approximately 22 percent of the annual private activity volume cap is set aside for multifamily developments and available to various issuers to finance multifamily developments. Of this amount, 20 percent, or approximately \$118 million, will be made available exclusively to TDHCA. On August 15 of each year, any allocations in the sub-ceilings of the PAB program that have not been reserved collapse into one allocation pool. This is an opportunity for TDHCA to apply for additional allocation which allows TDHCA to issue multifamily bonds in excess of the set-aside of \$118 million.

Issuers submit applications on behalf of development owners to the BRB, utilizing the lottery process or through the waiting list established by the issuer. Eligible bond issuers in the state include TDHCA, Texas State Affordable Housing Corporation (“TSAHC”) and various local issuers that comprise the thirteen state service regions. Applications submitted to TDHCA under the PAB program are scored and underwritten based on criteria identified in the Multifamily Housing Revenue Bond Rules and Chapter 2306, and ranked based on the following priority designations pursuant to Chapter 1372 of the Texas Government Code. The priority designation is elected by the Owner and establishes the income level the development will serve.

- **Priority 1:**
 - 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
 - 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
 - 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, Metropolitan Statistical Area (MSA) or Primary Metropolitan Statistical Area (PMSA) in which the census tract is located.
- **Priority 2:**
 - Set aside 80 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:**
 - Any qualified residential rental development

The TDHCA accepts applications throughout the year. Developments that receive 50 percent or more of their funding from the proceeds of tax-exempt bonds under the PAB program are also eligible to apply for 4% Non-competitive HTCs.

In line with the Department's energy efficiency efforts, the Multifamily Bond Program requires applicants to adhere to the statewide energy code and provide Energy Star Rated appliance. Moreover, the scoring criteria in the Multifamily Housing Revenue Bond Rules offers points for the use of energy-efficient alternative construction materials including R-15 wall and R-30 ceiling insulation, 14 SEER (seasonal energy efficiency ratio) or greater cooling units and green building initiatives.

MULTIFAMILY DIRECT LOAN RENTAL HOUSING DEVELOPMENT

The Multifamily Finance Division awards HOME Multifamily and Tax Credit Assistance Program Repayment Funds ("TCAP RF") 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 NOFAs by TDHCA and are available to CHDOs.

The Tax Credit Assistance Program ("TCAP") was a program created through ARRA, successfully completed and with full reports in the 2013 SLIHP. Repayment Income from TCAP Loans, now called TCAP RF, accrued in the amount of approximately \$10 million were presented for approval in November 2015 by the Board for programming. The Department has made those funds available through a NOFA for Applicants in the form of interest bearing debt to create a source of incoming repayments that will further the Department's mission to create more affordable housing. The NOFA will include set-a-sides for developments layering with TDHCA Tax Exempt Bonds, and special financing tools for Supportive Housing and developments that will provide a priority for units serving very low income tenants without vouchers to obtain affordable housing.

Reporting on Repayment Income from TCAP and the new TCAP RF that uses repayment income from TCAP will take place in the 2017 SLIHP.

CONTACT: For a list of HTC, PAB, and HOME properties funded through TDHCA, contact TDHCA by phone at 1-800-525-0657 or online at <http://www.tdhca.state.tx.us/multifamily/housing-tax-credits-4pct/index.htm>. For a list of apartment vacancies in your area, contact TDHCA by phone at 1-800-525-0657 or online at <http://tdhca.state.tx.us/texans.htm>. For more information on the Competitive HTC Program contact Marni Holloway at (512) 475-1676. For more information on the Multifamily Bond contact Teresa Morales at (512) 475-3344. For more information on the Multifamily Direct Loan programs contact Andrew Sinnott at (512) 475-0538.

ONLINE DOCUMENTS: The HTC Program QAP, Uniform Multifamily Rules and Multifamily Housing Revenue Bond Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/multifamily/nofas-rules.htm>.

FUNDING SOURCE: U.S. Internal Revenue Service ("IRS") and HUD.

TYPE OF ASSISTANCE: HTCs, PABs and HOME and TCAP RF loans.

RECIPIENTS: For-profit entities, nonprofit organizations and CHDOs.

TARGETED BENEFICIARIES: Households at or below 60% AMFI

SECTION 811 PROJECT RENTAL ASSISTANCE PROGRAM

The Section 811 Project Rental Assistance (“PRA”) program provides project-based rental assistance for extremely low-income persons with disabilities linked with voluntary long-term services. The program is made possible through a partnership between TDHCA, the Texas Health and Human Services Commission (“HHSC”) and eligible multifamily properties.



Caption will be provided in the final version of this document.

Project rental assistance can be applied to new or existing multifamily developments owned by a nonprofit or private entity with at least 5 housing units that have received funding or are in the process of applying for funding through TDHCA's Multifamily Housing programs or any eligible federal agency or any state or local government program.

The program is limited to individuals who are part of one of the Target Populations and receiving services through one of the HHSC agencies participating in the program. Each eligible household must

have a qualified member of one of the Target Populations that will be at least 18 years of age and under the age of 62 at the time of admission. All three target populations are eligible for community-based, long-term care services as provided through Medicaid waivers, Medicaid state plan options, or state funded services and have been referred to TDHCA through their service provider.

Target Populations:

- **People with disabilities living in institutions.** This population includes those that wish to transition to the community from nursing facilities and Intermediate Care Facilities and have an Intellectual Disability or Related Conditions and who may not have access to affordable housing in their community.
- **People with serious mental illness.** These individuals are engaged in services but face challenges due to housing instability. Stable, integrated, affordable housing would enable these individuals to have the opportunity to fully engage in rehabilitation and treatment, greatly improving their prospects for realizing their full potential in the community.
- **Youth and young adults with disabilities exiting foster care.** Youth exiting foster care often become homeless, particularly without the stability of long-term housing and comprehensive support services.

Only properties located in the following Metropolitan Statistical Areas (“MSAs”) are eligible to participate in the program:

- Austin-Round Rock
- Brownsville-Harlingen
- Corpus Christi
- Dallas-Fort Worth-Arlington
- El Paso

- Houston-The Woodlands-Sugar Land
- McAllen-Edinburg-Mission
- San Antonio-New Braunfels

The Section 811 PRA Program received a total award of \$12,342,000 for HUD PY 2012 and \$12,000,000 for HUD PY 2013. TDHCA anticipates implementing the program during SFY2016. The program will help extremely low-income individuals with disabilities and their families by providing between 300 and 400 new integrated supportive housing units in seven areas of the state with HUD FY2012 funds and an additional estimated 296 new integrated supportive housing units with HUD FY2013 funds.

CONTACT: For more information about the Section 811 PRA Program, visit <http://www.tdhca.state.tx.us/section-811-pra/index.htm>.

ONLINE DOCUMENTS: Documents that must be executed by a participating multifamily development can be found by visiting: <http://www.tdhca.state.tx.us/section-811-pra/documents-for-execution.htm>.

Additional resource documents for participating multifamily developments can be found by visiting: <http://www.tdhca.state.tx.us/section-811-pra/resource-documents.htm>.

FUNDING SOURCE: HUD

TYPE OF ASSISTANCE: Project-Based Rental Assistance

RECIPIENTS: New or existing multifamily developments owned by a nonprofit or private entity with at least 5 housing units that have received funding or are in the process of applying for funding through TDHCA's Multifamily Housing programs or any eligible federal agency or any state or local government program.

TARGETED BENEFICIARIES: The program is limited to individuals who are part of one of the Target Populations and receiving services through one of the HHSC agencies participating in the program. Each eligible household must have a qualified member of a Target Population that will be at least 18 years of age and under the age of 62 at the time of admission. The Program is only available in limited areas.

TEXAS HOMEOWNERSHIP DIVISION

The Homeownership Division offers the My First Texas Home Program, Texas Mortgage Credit Certificate Program (“MCC”), and the Texas Statewide Homebuyer Education Program.

MY FIRST TEXAS HOME PROGRAM

Previously, the Department had funded new home ownership activity under the First Time Homebuyer Program through the sale of tax-exempt mortgage revenue bonds. As a result of unusual market conditions, the program had been replaced by the My First Texas Home Program which is funded through the sale of mortgage backed securities that can be packaged into a tax exempt mortgage revenue bond or directly into the secondary market, a market where investors purchase securities or assets from other investors rather than from issuing companies themselves. As a result of this new Taxable Mortgage Program (“TMP”), program guidelines differ slightly from those previously required of a tax-exempt mortgage revenue bond program. The program continues to be offered through a network of participating lenders. The program also continues to provide homeownership opportunities by offering competitive interest rate mortgage loans and 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. The Department is intending in 2016 to again issue tax-exempt mortgage revenue bonds to support this program.

Income limits for the program will continue to be in line with those set by the IRS Tax Code (1980) which governed the First Time Homebuyer Program because it used tax exempt bonds as its funding source. These limits are based on income categories determined by HUD. The first-time homebuyer restriction will continue to apply to anyone who has not owned a home within the last three years. Certain exceptions to the first-time homebuyer restriction, income ceiling and maximum purchase price limitation apply in targeted areas and/or to qualified Veterans. Targeted areas are defined as 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. The Qualified Veterans Exemption to the first-time homebuyer requirement applies to a veteran who has been honorably discharged and has not previously received financing as a first-time homebuyer through a single family mortgage revenue bond program.

Projected My First Texas Home Program funding for FY 2016: \$300,000,000.

New rules for the TMP were published and approved by the Department to reflect the alternative funding source used to fund the program and to remove specific references to the Internal Revenue Tax Code that no longer are applicable.

CONTACT: For individuals seeking assistance, call 1-800-792-1119 to request a My First Texas Home Program information packet or go to www.myfirsttexashome.com to view Frequently Asked Questions, use the mortgage qualifier tool and search for participating lenders. Mortgage Companies or Banks interested in becoming a participating lender should call the Texas Homeownership Division at 512-475-0277.

ONLINE DOCUMENTS: The TMP Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/homeownership>.

FUNDING SOURCE: Sale of Mortgage Backed Securities into the secondary market.

TYPE OF ASSISTANCE: 30-year fixed-rate mortgage loan financing at competitive interest rates, with down payment assistance in a second lien.

ADMINISTRATORS: Participating mortgage lenders.

RECIPIENTS: Households up to 115 percent AMFI who meet program guidelines or 140 percent AMFI who meet program guidelines in a targeted area and are able to qualify for a mortgage loan

MORTGAGE CREDIT CERTIFICATE PROGRAM

TDHCA has the ability to issue 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 used in conjunction with the MCC Program may be underwritten utilizing FHA, VA, RHS or Conventional guidelines at prevailing market rates.

The MCC Program may now be combined with the My First Texas Home Program where the My First Texas Home Program loan is not packaged and funded through the sale of tax-exempt mortgage revenue bonds. However, borrowers under either funding must continue to meet the more restrictive eligibility requirements of the MCC Program.

Projected MCC funding for FY 2016: \$250,000,000

CONTACT: Call 1-800-792-1119 to request additional program information or visit the website at: www.myfirsttexashome.com. Mortgage Companies or Banks interested in becoming a participating lender should call the Texas Homeownership Division at 512-475-0277.

ONLINE DOCUMENTS: For more information go to http://www.tdhca.state.tx.us/homeownership/fthb/mort_cred_certificate.htm.

FUNDING SOURCE: Conversion of single family private activity bond authority.

TYPE OF ASSISTANCE: Individual tax credit that offsets federal income tax liability.

ADMINISTRATORS: Participating mortgage lenders.

RECIPIENTS: Households up to 115 percent AMFI who meet program guidelines or 140 percent AMFI who meet program guidelines in a targeted area and are able to qualify for a mortgage loan.

TEXAS STATEWIDE HOMEBUYER EDUCATION PROGRAM

The 75th Texas Legislature passed HB 2577, which in part charged TDHCA with the development and implementation of a statewide homebuyer education program to provide information and counseling to prospective homebuyers. In 1999, TDHCA created the Texas Statewide Homebuyer Education Program to fulfill this mandate. The program brings comprehensive homebuyer education and promotes the uniform quality of homebuyer education provided throughout the state.

TDHCA, in conjunction with its Governing Board, made the decision to transfer the day to day administration of the program to TSAHC effective September 1, 2012. TDHCA continues to provide a portion of the funding for the program and remains engaged and provides oversight on an on-going basis. A list of certified homebuyer education providers along with pertinent program information will continue to be made available and periodically updated on TDHCA's website for any individual seeking homebuyer education and counseling services.

Projected Texas Statewide Homebuyer Education Program funding for FY 2016: \$50,000

CONTACT: Individuals seeking homebuyer classes may search for providers in their area online at <http://www.texasfinancialtoolbox.com/>. For more information on TSHEP workshops or to become a certified homebuyer counselor, call the TSAHC at 512-220-1171.

ONLINE DOCUMENTS: For more information go to <http://www.tsahc.org/homeownership/for-housing-counselors>.

FUNDING SOURCE: State funds

TYPE OF ASSISTANCE: Training and referral services

RECIPIENTS: Local nonprofit homebuyer education providers or prospective providers

TARGETED BENEFICIARIES: No AMFI limits

HOUSING SUPPORT CONTINUUM

The Housing Support Continuum consists of a range of services that income-eligible households may need at different times of their lives, provided through the network of TDHCA-funded service providers. The Housing Support Continuum has six categories: (1) Poverty and Homelessness Prevention, (2) Rental Assistance and Multifamily Development, (3) Homebuyer Education, Assistance and Single-Family Development, (4) Rehabilitation and Weatherization, 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

CSBG activities can be instrumental in preventing homelessness in the lowest-income populations. For those organizations that provide direct services through CSBG, activities may include: 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 (including rent and utilities); 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 income-eligible 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 CEAP subrecipient for assistance. The subrecipient determines income eligibility, priority group status (this includes a review of billing history to determine energy burden and consumption as well as family attributes such as elderly, persons with disabilities, households with young children) and determines which benefit level is most appropriate for the eligible applicant. If the CEAP applicant is eligible, the CEAP subrecipient makes the energy payment to an energy company through a vendor agreement with energy providers. Additionally, some households qualify for repair or retrofit of existing heating and cooling appliances or purchase of portable heating and cooling appliances in cases of emergency.

Utility Assistance and Household Crisis Assistance benefits for an eligible household are the two CEAP assistance components, determined on a sliding scale based on income, household size and Federal Poverty Income levels. The Household Crisis Component is designed to provide one-time energy assistance to households during a period of extreme temperatures or an energy supply shortage. A utility disconnection notice may constitute a Household Crisis. In some instances, Household Crisis funds can be used to assist victims of natural disasters.

B. HOMELESSNESS PREVENTION

EMERGENCY SOLUTIONS GRANT PROGRAM

The ESG Program's focus is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. ESG funds can be utilized for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless; the payment of certain expenses related to operating emergency shelters; essential services related to emergency shelters and street outreach for the homeless; and, homelessness prevention and rapid re-housing assistance such as rental and utility assistance.

HOMELESS HOUSING AND SERVICES PROGRAM

HHSP was created for the purpose of assisting large urban areas to provide local programs to prevent and end homelessness. The assistance includes services to homeless individuals and families, including the construction of shelter facilities, direct services related to housing placement, homelessness 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 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. A specialized program within the Section 8 Program is the Project Access vouchers, used to assist persons with disabilities transitioning from institutions into housing in the community.

SECTION 811 PROJECT RENTAL ASSISTANCE PROGRAM

The Section 811 PRA program provides project-based rental assistance for extremely low-income persons with disabilities linked with long term services. The program is made possible through a partnership between TDHCA, the HHSC and eligible multifamily properties. The Section 811 PRA program creates the opportunity for persons with disabilities to live as independently as possible through the coordination of voluntary services and providing a choice of subsidized, integrated rental housing options.

TENANT-BASED RENTAL ASSISTANCE PROGRAM

The HOME Program's TBRA provides rental subsidy, security and utility deposit assistance. This program 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. If available, funds may be reserved to provide additional assistance for up to 60 months for

tenants that meet certain program requirements. The HOME assisted tenant must participate in a self-sufficiency program.

B. MULTIFAMILY DEVELOPMENT

HOUSING TAX CREDIT PROGRAM, MULTIFAMILY BOND PROGRAM, MULTIFAMILY DIRECT LOANRENTAL HOUSING DEVELOPMENT PROGRAM

The HTC, Multifamily Bond and Multifamily Direct Loan Rental Housing Development programs serve extremely low-, very low-, low- and moderate-income households and must meet long-term rent restrictions. These programs are designed to provide a source of financing for the development of affordable housing, maximize the number of affordable units added to the state's housing supply, ensure that the state's affordable housing supply is well maintained and operated, serve as a credit to the communities in which affordable housing is constructed and operated and prevent losses in the state's supply of affordable housing. Owners that receive funding for the construction, acquisition or rehabilitation of multifamily properties are required to offer a variety of tenant supportive services designed to meet the needs of the residents of the development.

(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 SHC Program provides outreach, education and technical assistance to colonia residents in support of their preparations to become homebuyers or to maintain homes. Colonia SHCs provide technical assistance in credit and debt counseling, housing finance, contract for deed conversions, and capital access for mortgages. The Colonia SHCs also offer training in grant writing, housing rehabilitation, new construction, surveying and platting, and construction skills training. Lastly, the Colonia SHCs operate tool libraries to support self-help construction by colonia residents.

TEXAS STATEWIDE HOMEBUYER EDUCATION PROGRAM

To ensure uniform quality of the homebuyer education provided throughout the state, TSAHC will contract with training professionals to teach local 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 principles and applications of comprehensive pre- and post-purchase homebuyer education. The training professionals and TSAHC will also certify the participants as homebuyer education providers.

B. HOMEBUYER ASSISTANCE

CONTRACT FOR DEED CONVERSION PROGRAM

HOME's Contract for Deed Conversion Program provides funds to convert an eligible contract for deed into a traditional mortgage. This is achieved by offering assistance to eligible colonia residents for the acquisition or the acquisition and rehabilitation, new construction or reconstruction of properties. Assistance must be used for families that reside in a colonia and earn up to 60 percent AMFI.

CONTRACT FOR DEED CONVERSION PROGRAM ASSISTANCE GRANTS

The HTF's Contract for Deed Conversion Program Assistance Grants supports nonprofits and units of local government by providing funds to households with contracts for deed for the acquisition and rehabilitation of property occupied by a household, as well as the refinancing of a mortgage loan secured by a deed of trust. All conversions must benefit colonia residents earning up to 60 percent AMFI who reside in a colonia within 150 miles of the Texas-Mexico border.

MY FIRST TEXAS HOME PROGRAM – NON-TARGETED FUNDS

The Texas Homeownership Division's My First Texas Home Program non-targeted funds may offer eligible homebuyers competitive interest rate mortgage loans and 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.

MY FIRST TEXAS HOME PROGRAM – TARGETED FUNDS

The Texas Homeownership Division's My First Texas Home Program targeted funds may offer eligible homebuyers competitive interest rate mortgage loans and 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.

HOME - HOMEBUYER ASSISTANCE PROGRAM

HOME's Homebuyer Assistance includes down payment and closing cost assistance and is provided to homebuyers for the acquisition for affordable single-family housing. 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. All HOME assisted homebuyers must attend a homebuyer counseling class.

MORTGAGE CREDIT CERTIFICATE PROGRAM – NON-TARGETED FUNDS

The Texas Homeownership Division's MCC provides a tax credit that effectively reduces the borrower's federal income tax liability. The amount of the annual tax credit currently equals 40 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. This program is available to qualifying households that make up to 115 percent AMFI.

MORTGAGE CREDIT CERTIFICATE PROGRAM – TARGETED FUNDS

The Texas Homeownership Division's MCC provides a tax credit that effectively reduces the borrower's federal income tax liability. The amount of the annual tax credit currently equals 40 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. This program is available to qualifying households that make up to 140 percent AMFI who will live in a home purchased in areas of chronic economic distress.

NEIGHBORHOOD STABILIZATION PROGRAM - HOMEBUYER ASSISTANCE PROGRAM

Purchase money first lien mortgages and subordinate homebuyer assistance are available separately or in combination for properties used as the eligible homebuyer's principal residence through the Neighborhood Stabilization Program. Funds are only available for participants who currently have NSP properties. Purchase money first lien mortgages may be provided as a repayable 0% interest loan in addition to homebuyer assistance, if the household is at or below 50% of the AMFI. Homebuyer assistance financing under the Neighborhood Stabilization Program will be provided as a deferred, forgivable, 0% interest loan, to households at or below 120% of the AMFI.

C. SINGLE-FAMILY DEVELOPMENT

SINGLE FAMILY DEVELOPMENT

The HOME Programs' Single Family Development activity provides funding to CHDOs that can apply for loans to develop single-family affordable housing for households at or below 80 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 OCI'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 7: Colonia Action Plan*.

(4) REHABILITATION AND WEATHERIZATION

In the course of homeownership, there may come a time when substantial rehabilitation or reconstruction needs to take place. 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 HTF's Amy Young Barrier Removal Program provides one-time grants of up to \$20,000 to people with disabilities at or below 80 percent AMFI for accessibility modifications to their housing units and to eliminate life threatening hazards and correct unsafe conditions. Modifications may include, but

are not limited to installing handrails; ramps, buzzing or flashing devices; accessible door and faucet handles; shower grab bars and shower wands; accessible showers, toilets and sinks; and door widening and counter adjustments.

HOMEOWNER REHABILITATION ASSISTANCE PROGRAM

HOME's Homeowner Rehabilitation Assistance Program provides rehabilitation, reconstruction, or new construction, and in some cases, 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"), the Department's Energy Efficiency rules, and local building codes, zoning ordinances and local construction requirements. If a home is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by Texas Government Code §2306.514 and energy efficiency standards.

B. WEATHERIZATION

WEATHERIZATION ASSISTANCE PROGRAM

The purpose of Community Affairs' WAP is to provide cost-effective weatherization measures to improve the energy efficiency of income-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, replacement of inefficient appliances such as refrigerators and minor repairs to allow energy efficient measures to be installed in the household. WAP also provides energy conservation education to empower clients to continue to reduce their energy burden.

(5) DISASTER RELIEF

When natural and man-made disasters strike, low-income households are often the most dramatically affected. TDHCA is committed to locating funds and developing programs and initiatives to assist the affected households and communities quickly, efficiently, and responsibly. However, long term recovery from major disasters is often carried out with specially appropriated funds administered by the Texas General Land Office.

COMMUNITY SERVICES BLOCK GRANT

The Department reserves a portion of the State's annual CSBG discretionary funds to provide emergency disaster relief to income-eligible 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 other human services delivery organizations and are to be utilized to provide eligible persons with emergency assistance, including but not limited to 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, Title 10, part 1 Chapter 1, subchapter A §1.19 and Texas Government Code §2306.111, the HOME Program utilizes deobligated and available funds for disaster relief through HRA, HBA and TBRA programs in communities that are not

designated as participating HUD HOME jurisdictions. HOME disaster funds are designed specifically to assist eligible households who are affected by a disaster, with emphasis on assisting those who have no other means of assistance, or as gap financing after any other federal assistance. Assisted households must have an income that is at or below 80 percent AMFI.

TDHCA GOALS AND OBJECTIVES

The Strategic Plan goals reflect program performance based upon measures developed with the State's Legislative Budget Board ("LBB") and the Governor's Office of Budget, Planning and Policy ("GOBPP"). The goals are also based upon Riders attached to the Department's appropriations bill. 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 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 LBB.

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 current goals and targets as approved by the LBB for FY 2016-2017.

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 84th 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 2015 goals, the 2015 actual performance and the goal for 2016. Targets for 2016 and 2017 were updated through the FY2016-2017 Legislative Appropriations Request unless otherwise noted.

Goals one through five are established through interactions between TDHCA, the LBB 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 federal mortgage loans and Mortgage Credit Certificates (MCCs), through the Single-Family Mortgage Revenue Bond Program

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Number of households assisted through the My First Texas Home Program	2,117	2,687	126.92%	2,414

Explanation of Variance:

Due to continued low interest rates and the long term benefits the MCC offers a borrower, product demand continues to increase resulting in a higher number of households served. Strategy 1.2

Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for affordable housing

Strategy #1	2015 Target	2015 Actual	% of Goal	2016 Target
Number of households assisted with Single Family HOME Funds	433	506	116.86%	1,125

Explanation of Variance:

Staff completed the approval process for the remaining households that received deobligated and program income HOME funds during the 2nd QTR of FY 2015. Although staff expected the number served to drop significantly during the 4th quarter, the close-out process resulted in additional funding being made available in the reservation system which allowed assistance to additional households.

Strategy #2	2015 Target	2015 Actual	% of Goal	2016 Target
Number of households assisted with Multifamily HOME Funds	260	384	146.69%	200

Explanation of Variance: There were 15 properties awarded funds this Quarter under the 2015-1 NOFA. In addition to the HOME funds, the NOFA also included approximately \$6M in TCAP funds which is why the Quarter Actual exceeds the target. The awards included a combination of those layered with the Competitive HTC applications and several that were HOME only.

Strategy 1.3

Provide funding through the Housing Trust Fund for affordable single family housing

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Number of single-family households assisted through the Housing Trust Fund Program	200	242	121.00%	175

Explanation of Variance:

The number of households served is above the "YTD Expected" because activities funded with FY 2014 Bootstrap funds have finally completed construction and have been funded (this report counts closed, funded activities). In addition, the Division was able to reprogram excess funds in the form of unanticipated loan repayments and deobligated dollars from previous years in order to assist additional households.

Strategy 1.4

Provide federal rental assistance through Section 8 certificates and vouchers

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Number of households assisted through Statewide Housing Assistance Payments Program	1,120	1,015	90.63%	1,120

Explanation of Variance:

The amount of federal funds received in 2015 was not sufficient to achieve the 2015 target for 1,120 vouchers by year end. However, the vouchers newly issued in this quarter were able to be issued because of attrition; other PHAs absorbing some of our voucher holders, and families relinquishing their vouchers.

Strategy 1.5

Provide federal tax credits to develop rental housing for very low income and low income households

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Number of multifamily households assisted through the Housing Tax Credit Program	6,400	11,247	175.73%	8,090

Explanation of Variance:

There were 7 non-Competitive HTC awards made this Quarter in addition to the 63 Competitive HTC awards. The increase in the state housing credit ceiling along with some larger than expected non-Competitive HTC applications allowed the actual performance this quarter to exceed the target. Moreover, the YTD performance is reflective of non-Competitive awards in prior Quarters that were the result of federal incentives (the Rental Assistance Demonstration program) to maintain existing housing stock.

Strategy 1.6

Provide federal mortgage loans through the Multifamily Mortgage Revenue Bond Program

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Number of households assisted with the Multifamily Mortgage Revenue Bond Program	1,150	100	8.70%	580

Explanation of Variance:

The conditions in the bond markets, primarily relating to interest rates on tax-exempt bonds, continue to make it difficult for developers to submit a financially feasible application for 4% credits and private activity bonds. These conditions seem to exist regardless of whether there is a new construction or rehabilitation development proposed.

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 Housing Resource Center

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Number of information and technical assistance requests completed	7,000	7,911	113.01%	6,000

Explanation of Variance:

The Department received more requests for assistance than targeted, resulting in more assistance requests completed. Strategy 2.2

To assist colonias, border communities, and nonprofits through field offices, Colonia Self-Help Centers, and Department programs.

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Number of technical assistance contacts and visits conducted by the field offices	1,200	1,376	114.67%	1,380

Explanation of Variance:

The number of technical assistance contacts and visits exceeded "YTD Expected" due to promotion of the Contract for Deed Conversion Program and demand by center staff and county administrators for guidance from TDHCA staff.

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	2015 Target	2015 Actual	% of Goal	2016 Target
Number of persons assisted through homeless and poverty related funds	674,828	637,188	94.42%	426,236

Explanation of Variance: Improving economic conditions resulted in fewer requests for assistance.

Strategy Measure #2	2015 Target	2015 Actual	% of Goal	2016 Target
Number of persons assisted that achieve incomes above poverty level.	1,100	1,228	111.64%	1,100

Explanation of Variance:

Agencies achieved higher success in Transitioning Out of Poverty due to continued economic improvement.

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	2015 Target	2015 Actual	% of Goal	2016 Target
Number of Households Receiving Energy Assistance	146,545	150,449	102.66%	146,545

Explanation of Variance: None needed.

Strategy Measure#2	2015 Target	2015 Actual	% of Goal	2016 Target
Number of dwelling units weatherized through Weatherization Assistance Program	2,822	4,916	174.20%	2,822

Explanation of Variance: Agencies achieved higher success in Transitioning Out of Poverty due to continued economic improvement.

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 Division will monitor and inspect for Federal and State housing program requirements.

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Total number of onsite reviews conducted.	862	1,208	140.14%	584

Explanation of Variance: The target was underestimated; it is difficult to predict this target because onsite reviews and UPCS inspections both accounted for in the measure) are not always conducted in the same quarter.

Strategy 4.2

The Compliance Division will administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Total number of contract monitoring reviews conducted.	183	138	75.41%	150

Explanation of Variance:

The Compliance Contract Monitoring (CMCT) risk population of contracts is initiated by expenditure and/or obligated funds activity. HOME is the largest funding source monitored by CMCT and generally the largest risk population. The reduction in contracts monitored is a direct result of reduced HOME expenditure and obligations for the fiscal year 2015.

GOAL 5: TO PROTECT THE PUBLIC BY REGULATING THE MANUFACTURED HOUSING INDUSTRY IN ACCORDANCE WITH STATE AND FEDERAL LAWS.

Strategy 5.1

Provide services for Statement of Ownership and Location and Licensing in a timely and efficient manner.

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Number of manufactured housing statements of ownership and location issued	70,000	49,613	70.88%	65,000

Explanation of Variance:

This measure is less than the targeted amount due to the number of applications received incomplete, which is currently about 34.7%; these will be resubmitted for issuance. Strategy 5.2

Conduct inspection of manufactured homes in a timely manner.

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Number of installation reports received	9,000	13,211	146.8%	12,000

Explanation of Variance: The measure is over the targeted projection, which is desirable. There were 13,211 successfully completed inspections out of a total of 14,117 attempted inspections. There were only 906 attempted inspections that were not inspected due to lack of accessibility. The Department is exceeding the program's statutory requirement to inspect at least 75% of installation inspections received. The year-to-date inspection rate (calculated by the number of installation inspections conducted divided by the number of installation records received) is 89.47% (percentage includes inspection reports that were received in previous reporting periods and conducting re-inspections to confirm deviations have been corrected). The percentage of successfully completed inspections (actual inspections divided by total attempts) is 93.58%. The August total includes inspection results (123) from September 2014 through May 2015 that were not previously reported because the inspection results had not been entered in the database prior to the reporting deadline.

Strategy 5.3

To process consumer complaints, conduct investigations and take administrative actions to protect the general public and consumers.

Strategy Measure #1	2015 Target	2015 Actual	% of Goal	2016 Target
Number of complaints resolved	500	391	78.20%	450

Explanation of Variance: The Department has received fewer complaints than targeted, resulting in fewer complaints needing resolution.

Strategy Measure #2	2015 Target	2015 Actual	% of Goal	2016 Target
Average time for complaint resolution	180	71.7	39.83%	180

Explanation of Variance: The average time for resolution of complaints is lower than the targeted projection, which is desirable.

Strategy Measure #3	2015 Target	2015 Actual	% of Goal	2016 Target
Number of jurisdictional complaints received	450	402	89.33%	400

Explanation of Variance: This measure is lower than the targeted projection due to the receipt of fewer complaints than projected.

RIDERS 5 & 6 ARE ESTABLISHED IN STATE LAW, 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 AMFI.

Rider 5 (a)	2015 Target	2015 Actual	% of Goal	2016 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	\$59,423,728	198.08%	\$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), 82nd 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)	2015 Target	2015 Actual	% of Goal	2016 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%	54.31%	271.55%	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), 82nd 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 annual allocation for benefits of persons with disabilities who live in any area of this state.

Strategy Measure	2015 Target	2015 Actual	% of Goal	2016 Target
Amount of HOME project allocation awarded to applicants that target persons with disabilities.	\$1,224,171	\$2,490,671.82	203.5%	\$1,078,781*

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 and special needs. It is important to note that funds from the Persons with Disabilities set-aside may be used anywhere in the state, and HOME general funds may only be utilized in non-participating jurisdictions, which are communities that do not receive HOME funds directly from HUD. The HOME Program's goal was exceeded by Administrators accessing HOME Persons with Disabilities funds as well as HOME general funds to serve households with a person with disabilities and special needs. Additionally, the Department dedicated deobligated funds to this activity in excess of the required set-aside amount

**The 2016 target will be adjusted to reflect the 5% of the actual allocation of 2016 funds 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 ensuring an equitable distribution of funding.

2016 REGIONAL ALLOCATION FORMULA

Texas Government Code §§2306.111(d) and 2306.1115 require that TDHCA use a Regional Allocation Formula (“RAF”) to allocate its HOME, HTC, and HTF funding when programs are funded above a certain amount. This RAF objectively measures the affordable housing need and available resources and other factors determined by the Department to be relevant to the equitable distribution of housing funds in 13 State Service Regions used for planning purposes. Texas Government Code §2306.111(d) requires that the TDHCA RAF consider rural and urban areas in its distribution of program funding. Because of this, allocations for the HOME, HTC, and HTF programs are allocated by rural and urban areas within each region.

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 and available resources. The RAF is submitted annually for public comment. Slightly modified versions of the RAF are used for Single Family HOME, Multifamily HOME, HTC, and HTF because the programs have different eligible activities, households and geographical service area, as explained under the program subheadings below.

The RAF used the following data from the Census Bureau to calculate this regional need and availability distribution:

- **Need factors:**
 - **200% of Poverty:** Number of persons in the region who live at or under 200% of the poverty line.
 - **Cost Burden:** Number of households with a ratio of monthly gross rent or mortgage payment to monthly household income that exceeds 30 percent.
 - **Overcrowded Units:** Number of occupied units with more than one person per room.
 - **Lack of Kitchen:** Number of households lacking kitchen facilities.
 - **Lack of Plumbing:** Number of households lacking plumbing facilities.
- **Availability factor:**
 - **Unoccupied Housing Units:** Vacant units for rent or for sale.
- **Regional Coverage Factor:**
 - **Inverse population density:** An inverse density population conveys the amount of land per person in each subregion.

HOME PROGRAM REGIONAL ALLOCATION FORMULA

The HOME RAF is specific to HOME's activities. First, because HOME assists both homeowners and renters, both homeowner data and renter data is used in the RAF for the need and availability factors. HOME single-family activities and multifamily activities are measured by different variables. Because HOME offers single-family rehabilitation, lack of kitchen and lack of plumbing are included

in the HOME Single-Family RAF to measure housing need. Also, since HOME Single Family programs are typically scattered site predominately in rural areas of the state, the Regional Coverage Factor takes into account the smaller populations of rural areas as well as scattered locations of single family projects, instead of relying solely on population as an absolute.

Second, state law (Texas Government Code §2306.111) dictates that the Department shall expend 95 percent of its HOME funds for the benefit of non-Participating Jurisdictions that do not qualify to receive funds directly from HUD. Therefore, housing need and availability in the cities and counties that are Participating Jurisdictions are not included in the State's RAF. The 2015 RAF distributes funding for all HOME-funded activities with some exceptions for federal and state mandated set-asides including CHDO Operating Expenses, Housing Programs for Persons with Disabilities and the Contract for Deed Conversion Program. The following tables demonstrate the combined regional funding distribution for all of the HOME activities distributed under the RAF, such as the CHDO developments, rental housing development and various single family activities.

HOME Single Family Program 2016 RAF

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Urban Funding Amount
1	Lubbock	\$ 567,742	5.7%	\$ 453,626	\$ 114,116
2	Abilene	\$ 501,318	5.0%	\$ 401,318	\$ 100,000
3	Dallas/Fort Worth	\$ 1,652,927	16.5%	\$ 269,163	\$ 1,383,764
4	Tyler	\$ 985,356	9.8%	\$ 696,743	\$ 288,613
5	Beaumont	\$ 597,510	6.0%	\$ 434,894	\$ 162,616
6	Houston	\$ 561,867	5.6%	\$ 219,406	\$ 342,461
7	Austin/Round Rock	\$ 922,629	9.2%	\$ 141,879	\$ 780,749
8	Waco	\$ 606,459	6.1%	\$ 337,717	\$ 268,742
9	San Antonio	\$ 510,253	5.1%	\$ 244,053	\$ 266,200
10	Corpus Christi	\$ 549,270	5.5%	\$ 329,440	\$ 219,831
11	Brownsville/Harlingen	\$ 730,064	7.3%	\$ 452,400	\$ 277,664
12	San Angelo	\$ 604,181	6.0%	\$ 408,424	\$ 195,757
13	El Paso	\$ 1,217,041	12.2%	\$ 986,880	\$ 230,161
	Total	\$ 10,006,619	100.0%	\$ 5,375,944	\$ 4,630,675

HOME Multifamily Program 2016 RAF

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Urban Funding Amount
1	Lubbock	\$ 512,757	5.4%	\$ 391,906	\$ 120,852
2	Abilene	\$ 345,275	3.6%	\$ 300,875	\$ 44,400
3	Dallas/Fort Worth	\$ 1,846,802	19.4%	\$ 332,420	\$ 1,514,381
4	Tyler	\$ 1,232,173	13.0%	\$ 860,651	\$ 371,522
5	Beaumont	\$ 677,307	7.1%	\$ 510,481	\$ 166,826
6	Houston	\$ 588,628	6.2%	\$ 209,855	\$ 378,773
7	Austin/Round Rock	\$ 1,059,668	11.2%	\$ 103,092	\$ 956,576
8	Waco	\$ 438,933	4.6%	\$ 302,689	\$ 136,244
9	San Antonio	\$ 569,684	6.0%	\$ 268,031	\$ 301,652

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Urban Funding Amount
10	Corpus Christi	\$ 542,005	5.7%	\$ 317,394	\$ 224,611
11	Brownsville/Harlingen	\$ 860,965	9.1%	\$ 527,854	\$ 333,111
12	San Angelo	\$ 433,886	4.6%	\$ 226,454	\$ 207,433
13	El Paso	\$ 391,917	4.1%	\$ 35,502	\$ 356,415
	Total	\$ 9,500,000	100.0%	\$ 4,387,204	\$ 5,112,796

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

According to Texas Government Code §2306.111(d-1)(3), the RAF does not apply to activities with less than \$3,000,000 of funding. Neither the Texas Bootstrap Loan Program nor the Contract for Deed Conversion Program Assistance Grants received more than \$3,000,000. Texas Government Code §2306.111(d-1)(2) also dictates that the RAF does not apply to activities primarily designed to serve persons with disabilities, and therefore the Amy Young Barrier Removal Program is exempt from the RAF. However, a regional dispersion may be utilized when releasing Amy Young Barrier Removal Program funds through the reservation system to ensure that all rural and urban areas of the state have an opportunity to access funds. No HTF funds will be subject to the RAF for SFY 2016.

HOUSING TAX CREDIT REGIONAL ALLOCATION FORMULA

In accordance with Texas Government Code §§2306.111(d) and 2306.1115, TDHCA allocates HTC Program funds to each region using a need-based formula developed by the Department. For HTC, because the program only assists renters, only renter data was used in the RAF.

The HTC RAF provides for a minimum of \$500,000 in each rural and urban state service region, and the HTC allocation methodology 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 administer the HTC Program's rural regional allocation. Texas Department of Agriculture assists in developing criteria for rural regional allocation. Texas Department of Agriculture also participates in the evaluation and site inspection of rural developments proposed under the rural allocation.

HTC Program 2016 RAF

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Urban Funding Amount
1	Lubbock	\$ 1,775,936	3.6%	\$ 634,774	\$ 1,141,162
2	Abilene	\$ 1,000,833	2.0%	\$ 500,833	\$ 500,000
3	Dallas/Fort Worth	\$ 11,443,270	22.9%	\$ 534,493	\$ 10,908,776
4	Tyler	\$ 2,331,639	4.7%	\$ 1,353,032	\$ 978,608
5	Beaumont	\$ 1,506,180	3.0%	\$ 823,911	\$ 682,269
6	Houston	\$ 10,052,261	20.1%	\$ 500,000	\$ 9,552,261
7	Austin/Round Rock	\$ 4,195,441	8.4%	\$ 500,000	\$ 3,695,441
8	Waco	\$ 1,709,376	3.4%	\$ 510,846	\$ 1,198,530
9	San Antonio	\$ 4,500,550	9.0%	\$ 500,000	\$ 4,000,550

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Urban Funding Amount
10	Corpus Christi	\$ 1,639,795	3.3%	\$ 511,750	\$ 1,128,046
11	Brownsville/Harlingen	\$ 5,721,573	11.4%	\$ 817,375	\$ 4,904,198
12	San Angelo	\$ 1,291,211	2.6%	\$ 500,000	\$ 791,211
13	El Paso	\$ 2,831,935	5.7%	\$ 500,000	\$ 2,331,935
	Total	\$ 50,000,000	100.0%	\$ 8,187,013	\$ 41,812,987

Further, TDHCA is required by §42(m)(1) of the Internal Revenue Code and Texas Government Code §2306.6702 to develop an annual Qualified Allocation Plan (“QAP”) to establish the procedures and requirements relating to the allocation of Housing Tax Credits. The QAP is revised annually in a process that involves public input, Board approval and ultimately approval by the Governor. Under the competitive HTC program, to be considered for an award of housing tax credits, an application must be submitted to TDHCA during the annual application acceptance period as published in the QAP. All applications must provide the required fee, application and supporting documentation as required by the QAP and the Department’s rules, as well as meeting all eligibility and threshold requirements.

POLICY INITIATIVES

The mission of the Texas Department of Housing and Community Affairs is to administer its assigned programs efficiently, transparently, and lawfully and to invest its resources strategically and develop high quality affordable housing which allows Texas communities to thrive. In addition to the goals established by the Legislative Appropriations Request, the Riders in the General Appropriations Act and state law, 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 in a way that expands fair housing choice and opportunities for Texans and works to reduce service barriers affecting members of protected classes and low-income residents.

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 all Texans. This collaboration results in recommendations on how to improve the coordination of the department’s 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 planning documents, such as the Consolidated Plan, that are 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:

Workgroup/Committees	Lead agency
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 (“DAW”)	TDHCA
Governor’s Commission for Women	Governor’s Office
Housing and Health Services Coordination Council (“HHSCC”)	TDHCA
The Council for Advising and Planning (“CAP”) for the Prevention and Treatment of Mental and Substance Use Disorders	Department of State Health Services
Money Follows the Person Demonstration Project (“MFP”)	Department of Aging and Disability Services
Promoting Independence Advisory Committee (“PIAC”)	Health and Human Services Commission
Reentry Task Force	Department of Criminal Justice
Interagency Colonia Coordination Workgroup	Secretary of State
Interagency Workgroup on Border Issues	Secretary of State
Texas Interagency Council on the Homeless (“TICH”)	TDHCA
Texas Foreclosure Prevention Task Force	Texas State Affordable Housing Corporation
Texas State Fair Housing Workgroup	TDHCA
Texas State Independent Living Council (“SILC”)	Department of Assistive and Rehabilitative Services
Texas Coordinating Council for Veteran Services	Texas Veterans Commission
WAP Planning Advisory Committee (“PAC”)	TDHCA

TDHCA is also involved in numerous national organizations that focus on 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 respond effectively 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 (“C-RAC”)

C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board which advises the Department on the needs of colonia residents and the types of programs and activities which should be undertaken by the Colonia Self Help Centers (“SHCs”). In consultation with C-RAC and the appropriate unit of local government that administers each SHC, the Department designates up to

five colonias in each county to receive concentrated attention from the Colonia SHCs. Each county nominates two colonia residents—who actually reside in the colonias to be assisted by the local Colonia SHC—to serve on the committee. The C-RAC reviews the county proposals and may make recommendations on contracts for the Colonia SHCs before they are considered for award by the Board.

Disability Advisory Workgroup

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 HHSCC is established in Texas Government Code §2306.1091. The Council's duties are to:

- Develop and implement policies to coordinate and increase state efforts to offer service-enriched housing;
- Identify barriers preventing or slowing service-enriched housing efforts, including barriers attributable to regulatory requirements, administrative limitations, limitations of funding and limited coordination;
- Develop a system to cross-educate staff in state housing and health services agencies to increase the number of staff with expertise in both areas;
- Identify opportunities for state housing and health service agencies to provide technical assistance and training to local housing and health services entities;
- Develop performance measures to track the progress of barrier elimination, coordination between housing and health services staff and the provision of technical assistance;
- Develop a biennial plan to implement the goals described; and
- Deliver a report of the Council's findings and recommendations to the governor and LBB by August 1st of each even-numbered year.

During the 83rd Regular Legislative session, House Bill 736 expanded the membership of this Council from 16 members to 17 members by adding a representative from the Texas Veterans Commission. Members include: the Executive Director of TDHCA; eight members appointed by the Governor; and eight members appointed by State Agencies. TDHCA provides clerical and advisory support. The Biennial Plans are available to the public on the TDHCA website at <http://www.tdhca.state.tx.us/hhsc>.

The Housing and Services for Persons with Disabilities Clearinghouse is now available on the 2-1-1 Texas.org website. The Clearinghouse was released as a draft for public comment with an online

survey. Based on public comment, the Clearinghouse was finalized and made live on the 2-1-1 Texas.org website in September 2013. To access the site, go to www.211texas.org and enter a zip code. Then click “Aging and Disability” and select “Aging and Disability Services,” then “Housing and Other.” This Clearinghouse augments what information is available to persons with disabilities when contacting 211.

On June 15, 2015, TDHCA, on behalf of the Housing and Health Services Coordination Council, contracted with CSH (not an acronym) to coordinate a Housing and Services Partnership (“HSP”) Academy.

The HSP Academy will provide local communities the tools and education necessary to be able to create safe, affordable, accessible housing for people with disabilities and older Texans. The HSP Academy will provide a 1.5 day intensive workshop for an anticipated 9 local community teams. Each team will include at a minimum 1.) a housing provider/developer, 2.) a service provider, and 3.) a person with a disability. In addition, documents for the HSP Academy will be available through TDHCA’s Housing Resource Center’s Tools for Serving People with Disabilities, and as resources for organizations and developers interested in creating community-based, affordable, integrated housing for persons with disabilities.

Last, CSH will provide pre- and post- technical assistance to the teams who attend the HSP Academy, and conduct a formative and summative evaluation for the project.

Texas Interagency Council for the Homeless

The TICH was created in 1989 to coordinate the State’s homeless resources and services, and its charge was reinforced by the 84th Texas Legislature (2015) Senate Bill (“SB”) 607. The 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 TICH receives no funding and has no full-time staff, but receives facilitation and advisory support from TDHCA. The TICH’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.

The TICH has four committees: Housing and Supportive Services; Homelessness Prevention; Data, Research and Analysis; and State Infrastructure. Each committee worked to update one section of the 2014 Annual Report, available on the TICH website at <http://www.tdhca.state.tx.us/tich/index.htm>.

The 84 (R) Texas Legislative Session’s SB 1580 requires TDHCA, in conjunction with the TICH and the Texas Veterans Commission (TVC) to conduct a study of veterans experiencing homelessness. The study is due to the Texas Legislature no later than December 1, 2016. The study requires the following:

- A definition of homeless veteran used for the study

- The status of homeless veterans in Texas
- Statewide and local entities providing services for homeless veterans
- Funding sources of services for homeless veterans
- Recommendations to the State's approach to address veteran homelessness
- Recommendations to State law to assist homeless veterans.

The study as outlined is planned to include a short case on Houston, which announced that it effectively ended veteran homelessness in June 2015, and a survey of 11 Texas cities which accepted the federal mayors' challenge to End Veteran Homelessness by 2015. The TICH's Homeless Veteran Workgroup will be developing the survey to send to the following 11 cities: Austin, Corpus Christi, Crystal City, Dallas, El Paso, Fort Worth, Garland, Houston, Plano, San Antonio, and Waco.

To fulfill the requirement of finding statewide and local entities providing services for veterans and funding sources, the TICH membership will be asked to complete a chart which shows which programs are available, the location of those programs, the definition of veteran used to access the program, and the funding available.

To fulfill the recommendations to state programs and state law, the study will include recommendations for Best Practices from other states and cities, recommendations from cities that are working to effectively ending veteran homelessness, recommendations from roundtables being held to gather input to the study, and recommendations from the TICH Veteran Homelessness Workgroup.

In addition to the study on homelessness among veterans, the 84 (R) Texas Legislative Session's House Bill (HB) 679 requires TDHCA, in conjunction with the TICH, to conduct a study of homeless youth. The study is due to the Texas Legislature no later than December 1, 2016. *Youth Count Texas!* is an initiative headed by TDHCA for a statewide count and needs assessment of Texas homeless and unstably-housed youth starting October 2015 and running through March 2016. *Youth Count Texas!* is being conducted in three phases:

Phase I - Survey Tool Development. From July to August 2015, TDHCA contracted with the Texas Network of Youth Services ("TNOYS") to create two surveys: one for use during the annual point-in-time ("PIT") count of homeless persons in January 2016 and one for a needs assessment which can be used up until March 2016. An annual PIT count is required by HUD.

Phase II - Survey Implementer. From September 2015 to March 2016, TDHCA is contracting with TNOYS as the lead agency to create training for survey implementation, provide technical for Continuum of Care ("CoCs"), create a data collection methodology and system, and deliver a report of the results of the implementation. TNOYS may subcontract with the Texas Homeless Network to complete the requirements to implement the survey.

Phase III - Data Analysis. The data from Phase II, along with data collected from other state agencies, will be analyzed to examine the number and needs of homeless youth and the degree to which current programs are meeting those needs; identify any sources of funding that might be available to provide services to homeless youth; and develop a strategic plan establishing steps to be taken and timelines for reducing youth homelessness in this state.

The TICH Homeless Youth Workgroup members had meetings with TNOYS to give input into the survey tool, and many members attended one of the three roundtables held during Phase I by TNOYS on the survey tool and edited a draft version of the survey for TNOYS. The TICH Homeless Youth Workgroup will also give input during Phase II and III of the study on homeless youth. In addition,

summaries of the progress on the study will be given at the quarterly TICH meetings for the membership as a whole.

Texas State Fair Housing Workgroup

The Texas State Fair Housing Workgroup was convened by TDHCA to encourage resource and idea sharing between TDA, TDHCA, TWC, DSHS, and GLO, all of which receive HUD funds for housing-related activities. The group meets regularly and discusses topics such as fair housing training, Limited English Proficiency (“LEP”) provisions, public participation, complaint direction, NOFA and application requirements, monitoring provisions, website improvements, and other relevant topics that assist state agencies in furthering fair housing choice as directed under the Phase 2 Analysis of Impediments and improving agency coordination and resource sharing.

Weatherization Assistance Program Planning Advisory Committee

The WAP PAC is comprised of a broad representation of organizations and agencies and provides balance, background and sensitivity with respect to solving the problems of income-eligible persons, including the weatherization and energy conservation problems. At the present time, the PAC consists of four members. Any additions to the PAC will be reviewed by the Department’s Governing Board.

Historically, the PAC has met annually after the public hearing for the DOE plan. One member of the PAC is from the Texas Department of Aging and Disability Services (“DADS”), 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 tribal representatives, weatherization providers, energy providers and consumer-related groups.

FAIR HOUSING

Through rule provision, outreach and training, and monitoring, TDHCA works to ensure that its housing and assistance programs are furthering fair housing choice and reducing barriers for protected classes and low income residents in Texas as required by HUD. The Texas Workforce Commission’s (“TWC”) Civil Rights Division is tasked with enforcing the State of Texas’s Fair Housing Act, which was passed in 1989 and prohibits discrimination based on race, color, national origin, sex, religion, familial status, and disabilities in homeownership or rental housing opportunities. TDHCA is currently working with TWC to ensure that prospective applicants and residents are aware of TWC’s complaint process and that owners and management agents operating TDHCA monitored properties are aware of their responsibilities under the Federal and State Fair Housing Act. TWC offers free, web-based fair housing training.

Policy-Driven Action: The State of Texas’s Phase 2 Analysis of Impediments (“AI”) was submitted to HUD on November 8, 2013. The Fair Housing, Data Management, and Reporting group tracks goals under the AI. The group is essential in working across the agency to consolidate records of fair housing activities and set priorities and goals. Highlights of its current activities include but are not limited to the following:

The creation of improved fair housing web pages expand on the previously developed page and improve housing discrimination complaint direction. The new website section was released in October 2014 and includes the following resource pages: Fair Housing 101; Renters, Homebuyers, Housing Professionals resource pages; Elected Officials and Local Governments; Fair Housing Policy & Guidance; Training; Toolkits, Sample Forms, and Downloads; How To File a Complaint; TDHCA Fair Housing Corner; External Newsfeeds; Find An Apartment; Join Our Email List; Contact Us. The new

website section pulls together information and creates linkages to sites maintained by HUD, the Department of Justice (“DOJ”), the American Disability Association (“ADA”), the National Fair Housing Alliance (“NFHA”), the National Low Income Housing Coalition, and other resources. Local sites such as the Texas Apartment Association, the University of Texas William Wayne Justice Center, Disability Rights Texas, the YWC, and the Texas State Law Library are also available. The Fair Housing Team tracks website traffic metrics and involves the public by collecting an online survey. The improved site has been shared with the Texas Department of Agriculture (“TDA”), TWC, DSHS, and the General Land Office (“GLO”) to facilitate discussions on ways to streamline complaint direction between agencies and establish consistent fair housing resources pages between agencies. The site is also being promoted with external groups that may find its content highly relevant, such as the HHSC. The new website section is available at: <http://www.tdhca.state.tx.us/fair-housing/index.htm>.

Staff utilizes a Fair Housing Tracking Database that assists the state in consolidating fair housing records and tracking goals under the Analysis of Impediments. The database allows TDHCA to better review current efforts and identify areas for improvement. Database reports are shared with TDHCA’s Board of Directors periodically.

Staff developed a demographic database that consolidates Housing Tax Credit demographic data and compares trends to demographic data collected by the census. TDHCA does not currently provide agency-wide service data and many program areas enter data in different databases. The Department is prioritizing the standardization of its demographic data collection across Divisions and will attempt to consolidate data by creating a system that will pull and store data from the agency’s primary database. Underrepresentation of demographic populations based on HUD’s definition of minority concentration will assist Owners in planning affirmative marketing efforts in coordination with the revised Affirmative Marketing rule.

Revised Tenant Selection and Affirmative Marketing Rules. The Department amended the Uniform Multifamily Rules to assist in guiding its goals to affirmatively further fair housing and decrease housing barriers across the state. The Department proposed new Single Family Umbrella rules which include an affirmative marketing plan to direct specific marketing and outreach to potential tenants and homebuyers who are considered “least likely” to know about or apply for housing based on an evaluation of market area data.

Revised Undesirable Site Features and Undesirable Neighborhood Characteristics. The Department maintains its undesirable site features and undesirable neighborhood characteristics in Subchapter B of its Uniform Multifamily Rules and in the 2016 Rules added an undesirable neighborhood characteristic that would require disclosure and result in further review by staff if the proposed development is located in the attendance zone of an elementary, middle and high school that does not have the Met Standard rating as defined by the Texas Education Agency. Development sites may be found eligible, despite the existence of undesirable neighborhood characteristics through a specific process outlined in the rules whereby sites achieve at least one of the following goals - preserve existing occupied affordable housing units (with federal rent or income restrictions), mitigate the undesirable site characteristic, or the development is necessary to comply with affirmatively furthering fair housing requirements. The multifamily rules seek to provide a better mechanism for review in cases where development sites proposed at application conflict with the Department’s goals to further fair housing choice in its multifamily housing portfolio.

Development of a Tenant Rights and Resources Guide for TDHCA Monitored Rental Properties. The Fair Housing Team worked with the Compliance Division to integrate a tenant’s programmatic rights brochure with TDHCA’s Fair Housing Disclosure Notice and a property’s notice of amenities and services. The guide was finalized in January 2015 and assists the Department in providing fair housing rights information and directly addresses Impediment 3 of the State of Texas’s Phase 2 AI.

The document, in addition to the revised web pages, represents steps to increase public knowledge about fair housing rights and rules unique to TDHCA monitored affordable rental properties.

The Fair Housing Team has worked to improve Fair Housing units in program trainings throughout the agency as well. The ESG Program worked in collaboration with Legal and the Fair Housing Team to create a major Fair Housing unit for the ESG Implementation Workshop. The Fair Housing Team conducted webinar trainings in spring 2014 to complement fair housing elements of new rules.

TDHCA has worked in collaboration with several external groups to raise awareness of affordable housing and impediments that can limit fair housing choice for residents– these efforts include a Service-Enriched Housing Video series developed with the HHSCC which provide information on various forms of housing and emergency rental assistance, supportive housing, and fair housing. The Service-Enriched Housing Videos are available at <http://www.tdhca.state.tx.us/hhsc/service-enriched-housing-videos.htm>.

On August 17, 2015, HUD adopted the Final Affirmatively Furthering Fair Housing Rule (“AFFH” or “the rule”) which governs what block grant recipients of certain HUD funds (being those funds overseen by HUD’s Division of Community Planning and Development (“CPD”)) and Public Housing Authorities funded under 42 U.S.C. §1437e must do to affirmatively further fair housing. HUD will provide the tool which recipients must identify those steps. Upon its release, staff is prepared to meet the requirements of the tool as described in the final AFFH rule.

The rule replaces the Analysis of Impediments (“AI”) to Fair Housing Choice with a new Assessment of Fair Housing (“AFH”) tool. The AFH Tool uses HUD-generated data, and a significant community participation process, to identify four main areas:

- Racially and ethnically concentrated areas of poverty
- Patterns of integration and segregation
- Disparities in access to opportunity; and
- Disproportionate housing needs

The rule requires that Government entities that accept certain HUD funds take “meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” HUD believes the duty to affirmatively further fair housing extends to all of the program participant’s activities related to housing and community development, regardless of funding source. Meaningful actions, according to HUD, “means significant actions that are designed and can be reasonably expected to achieve a material positive change that affirmatively furthers fair housing by, for example, increasing fair housing choice or decreasing disparities in access to opportunity.”

The new process directly links the AFH tool and its identified goals with the jurisdiction’s HUD-required program planning document (its Consolidated Plan or for a PHA, its 5-Year PHA Plan). Fair housing goals and priorities from the AFH are expected to be incorporated into the actual programming and proposed use of the HUD funds. The AFH tool will be phased in as Government entities that are HUD program participants submit the Consolidated Plan or PHA Plan. HUD anticipates releasing the State AFH tool in 2016 and if HUD follows that timetable the first AFH tool would be due to HUD from the State of Texas in May 2019. Entities must follow the current AI process until submitting an AFH. Staff is creating informational resources related to the final AFFH rule. These documents will be added to the fair housing webpage for use by subrecipients and government entities administering HUD funds.

Current Litigation: The Department is involved in significant litigation styled *Inclusive Communities Project (ICP) vs. TDHCA et al.*, which is pending (on remand) to the U.S. District Court in Dallas. A history of this case follows:

In this lawsuit, Plaintiff alleges that TDHCA perpetuates housing segregation by disproportionately allocating Low Income Housing Tax Credits (“LIHTC”) for proposed developments in low-income, predominantly minority areas and denying tax credits for proposed developments in higher-income, predominantly Caucasian areas. Plaintiff alleges that with regard to the Department’s allocation of LIHTC in the Dallas metropolitan area, the Department intentionally discriminated based on race, in violation of the Equal Protection Clause of the Fourteenth Amendment and 42 U.S.C. § 1982, or in the alternative, that the Department’s allocation decisions had a disparate racial impact, in violation of §§ 3604(a) and 3605(a) of the Fair Housing Act (“FHA”). The Department denied Plaintiff’s allegations and vigorously defended against the lawsuit.

On March 20, 2012, the Court issued a Memorandum Opinion and Order, finding that the Plaintiff failed to prove that the Department intentionally discriminated in the allocation of LIHTC’s, but did find that, while unintentional, the allocation of LIHTC’s in the Dallas area resulted in a disparate (discriminatory) impact. The Order required TDHCA to submit a proposed “remedial plan” within 60 days of issuance of the Order, which was timely submitted. On August 7, 2012, the Court issued a Judgment together with a Memorandum Opinion and Order specifying the remedial actions to be taken by TDHCA. On September 4, 2012, TDHCA filed a Motion to Alter or Amend Judgment or, in the Alternative, for a New Trial. On November 8, 2012, the Court issued a Memorandum Opinion and Order in which a new trial was not granted and certain additional guidance as to the implementation of the August 7, 2012, Memorandum Opinion and order was provided.

In December 2012, the Department and other named state defendants represented by the Office of the Texas Solicitor General filed a Notice of Appeal with the Fifth Circuit Court of Appeals. Oral argument for the Appeal was set for December 2013. On March 24, 2014, the Fifth Circuit reversed the District Court’s decision on the basis that the trial court had not previously addressed the question of what legal standards apply to a disparate impact housing discrimination claim and that the Supreme Court had previously ruled that underrepresentation on a statistical basis alone would not suffice to make out a *prima facie* case of disparate impact (*Wards Cove Packing Co. v. Atonio*). The Court of Appeals for the Fifth Circuit remanded the case for the District Court to apply the newly-adopted FHA Disparate Impact Standards in 24 CFR 100.50. TDHCA filed a petition for *certiorari* (in this case, a petition for the U.S. Supreme Court to review the decision) on May 13, 2014. As a result, the District Court stayed the proceedings on remand pending the outcome of the petition.

On June 25, 2015, the Supreme Court affirmed the existence of a cause of action for disparate impact discrimination under the Fair Housing Act, but remanded the case for further proceedings consistent with its opinion. In describing the requisite pleadings-stage safeguards, the Supreme Court held that a plaintiff must identify a specific policy of the defendant and adequately plead that such policy is the *cause of* the disparity. To distinguish meritless from meritorious claims, the Court directed lower courts to “avoid interpreting disparate-impact liability to be so expansive as to inject racial considerations” into every FHA decision. Thus, the Court held that a “racial imbalance does not, without more, establish a *prima facie* case of disparate impact,” and that a plaintiff can no longer maintain a disparate-impact claim by pleading a mere “statistical disparity.” Disallowing claims where a plaintiff cannot establish a “robust” causal link to a defendant’s actual policies serves to eliminate suits seeking to hold a defendant liable for alleged racial disparities it “did not create.” The Court held that “[i]t may also be difficult to establish causation because of the multiple factors that go into investment decisions about where to construct or renovate housing units.”

With the case now returned to the Federal District Court in Dallas, Judge Fitzwater has had the parties articulate the evidentiary requirements for a re-determination of the legal and factual merits of the case – beginning with the requirement that Plaintiffs brief and demonstrate the *prima facie* validity of their alleged disparate impact discrimination case. Defendants will then respond, and Plaintiffs will file a reply. This will occur on a timetable that has not yet been announced by the District Court.

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 Section 2306 of the Texas Government Code, which requires the SLIHP. 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 HTC Program, include point incentives in their scoring criteria for serving certain special needs populations. Specifics about the priorities and strategies to provide housing for persons with special needs population in each state service region are below.

Special Needs Populations include:

- Colonia Residents (TDHCA)
- Elderly Populations (§2306.0721(c)(1) and HUD)
- Homeless Populations (§2306.0721(c)(1) and HUD)
- Farmworkers (§2306.0721(c)(1))
- Persons with Alcohol and Substance Abuse Issues (HUD)
- Persons with Disabilities (mental, physical, developmental) (HUD)
- Persons with Violence Against Woman Act (“VAWA”) Protections (TDHCA and HUD)
- Persons with HIV/AIDS and Their Families (HUD)
- Public Housing Residents (HUD)
- Veterans and Wounded Warriors (§2306.0721(c)(1) and HUD)
- Youth Aging Out of Foster Care (§2306.0721(c)(1) and HUD)

COLONIA RESIDENTS

Colonias are substandard housing developments mainly found along the Texas-Mexico border. These developments lack basic services, such as drinking water and sewage treatments. In its update to the 84th Legislature, the Texas Office of the Secretary of State’s Colonia Initiatives Program reports that, even though significant challenges and barriers remain, progress continues in colonias in major counties along the Texas-Mexico border. To continue this progress, several state agencies, including TDHCA, are working to address remaining barriers in colonia communities.

Policy-Driven Action: The OCI, HOME, HTF, and HTC Credit programs provide incentives to serve or prioritize the special needs of colonia residents.

In 1996, TDHCA created the OCI in an effort to place greater emphasis on addressing the needs of persons residing in colonias. The OCI is charged with implementing all of the Department’s legislative initiatives and programs involving border and colonia issues. 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. The OCI has established three Border Field Offices to serve colonia residents and provide technical assistance to colonia residents and entities that serve them. The Border Field Offices are located in Pharr, Laredo and El Paso and are instrumental in facilitating the success of the Colonia SHCs and the Texas Bootstrap Loan Program.

The HOME Program administers the Contract for Deed Conversion Program to assist households with the acquisition of property held in an executor contract for conveyance, also known as a contract for deed. Contract for Deed Conversion provides refinancing of loan terms in conjunction with providing funds for the rehabilitation or reconstruction of substandard units. The HTF also administers a Contract for Deed Conversion Program Assistance Grants to provide capacity building grants to nonprofit organizations and units of local government that assist colonia residents at or below 60% AMFI.

The QAP, which governs the Competitive 9% HTC Program, offers points in the scoring criteria for developments that propose to set aside 5 percent of the units for persons with special needs. One of the nine special needs categories for the HTC Program is Colonia residents. In addition, the QAP offers points for developments located in underserved areas, which includes colonias.

ELDERLY POPULATIONS

Elderly populations have a range of unique housing needs. Cost burden (expenditures including housing and utilities that exceed 30 percent of income) is the most common housing problem for households with persons aged 65 and older. Households experiencing cost burden are often forced to cut back sharply on other necessities. A 2014 Harvard University Joint Center for Housing Studies report on housing needs of the nations aging population found that, on average, severely cost burdened and low-income households spend more than 40 percent less on food than households living in housing they can afford, making clear the link between hunger and high housing costs among older adults Other housing needs are described in the Housing Analysis chapter.

Policy-Driven Action: The Multifamily HOME Program, HTC Program and Multifamily Bond Program require owners to provide tenant supportive services for the benefit of the residents. In addition, TDHCA plays an active role in the Housing and Health Services Coordination Council, which works to increase the amount of service-enriched housing for seniors and persons with disabilities. A description of this Council is included under “Policy Initiatives” above.

CSBG-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 CEAP and WAP 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 and the Amy Young Barrier Removal Program offered through the Housing Trust Fund provide funds for the repair and rehabilitation of homes owned by low-income households. Many of the assisted households are aging Texans, thereby facilitating their ability to remain in their communities, keep existing social networks intact, and decrease dependence on institutional assistance.

Under the HTC and Multifamily Bond programs, the 2016 Uniform Multifamily Rules clarify, based on recent published HUD guidance, how the TDHCA treats certain age-restricted developments. While such developments were previously considered Qualified Elderly Developments, the universe of elderly developments includes both those that meet the requirements of the Housing for Older Persons Act (“HOPA”), referred to as developments with an Elderly Limitation and properties that do not qualify for HOPA treatment, but have some or all of the units that qualify for a Federal government program specific elderly exemption to fair housing, referred to as developments subject to an Elderly Preference.

HOMELESS POPULATION

Homelessness is defined in a variety of ways. While the definition of homelessness is intricate and varied, in general the HEARTH Act of 2009 expanded the definition of homelessness from persons lacking a nighttime residence to include persons who will imminently lose their housing and have no subsequent residence identified.

Policy-Driven Action: The first phase of the Housing Support Continuum is “(1) Poverty and Homelessness Prevention” and includes the CSBG Program, CEAP, ESG Program and HHSP. In addition, other programs not specifically created for homelessness prevention nevertheless include several activities to address this population’s special needs. For instance, the HTC Program can be used to assist homeless populations. Finally, TDHCA provides facilitation and advisory support to the TICH, described under “Policy Initiatives” above.

While the HTC Program is well-known and primarily used for the construction, acquisition and/or rehabilitation of housing that serves the general population or elderly populations, it can also be used to develop transitional housing and permanent supportive housing for homeless populations. Moreover, the QAP, which governs the Competitive 9% HTC Program, offers points in the scoring criteria for developments that propose to set aside 5 percent of the units for persons with special needs. One of the nine special needs categories for the HTC Program is homeless populations.

FARMWORKERS

Farm labor helps to support very large industries in the U.S. For example, the fruit and vegetable industry is a 26 billion dollar industry. However, farmworker housing is often substandard or non-existent and the wages of the farmworker are usually low (National Center for Farmworker Health, Inc, 2012). Farmworker housing conditions are further exacerbated by legal, cultural, and geographic circumstances that often keep this population outside of the mainstream and contribute to their economic marginalization (Housing Assistance Council, 2014).

Policy-Driven Action: TDHCA addresses farmworker issues by licensing and inspecting migrant farmworker housing and conducting periodic studies on farmworker needs. In addition, the CSBG and HTC programs serve or prioritize funding for farmworkers.

In HB 1099, the 79th Texas Legislative Session transferred the license and inspection of farmworker housing facilities from the Texas Health and Human Services Commission to TDHCA. Additionally, the bill directed TDHCA to complete a study on quantity, availability, need and quality of farmworker housing facilities in Texas. See <http://www.tdhca.state.tx.us/housing-center/pubs-special.htm> for a copy of the report.

Additionally, TDHCA set aside a portion of its FY2015 CSBG state discretionary funds to fund organizations serving migrant seasonal Farmworker and Native American populations. The Department’s CSBG State Plan approved by USHHS includes Native Americans and migrant farmworker populations as special populations eligible for services provided by CSBG state discretionary funds.

The QAP, which governs the Competitive 9% HTC Program, offers points in the scoring criteria for developments that propose to set aside 5 percent of the units for persons with special needs. One of the nine special needs categories for the HTC Program is migrant farmworkers.

PERSONS WITH ALCOHOL AND SUBSTANCE USE ISSUES

Alcohol and substance use issues can be linked to housing problems, including homelessness. Several studies have found that approximately 41-84% of homeless adults have a substance use disorder (Tsai, Kaspro and Rosenheck, 2013). Further, many individuals with substance use issues face multiple barriers to accessing housing while suffering from addiction. Being without a stable place during substance abuse recovery only increases the likelihood that these treatments will fail (United States Interagency Council on Homelessness, n.d.).

Policy-Driven Action: TDHCA addresses the needs of persons with alcohol and substance abuse issues through the HTC and ESG programs.

The HTC Program QAP offers points in the scoring criteria for developments that propose to set aside 5 percent of the units for persons with special needs. One of the nine special needs categories for the HTC Program is persons with alcohol and substance abuse issues.

Additionally, ESG subrecipients may choose to prioritize certain subpopulations to serve with their ESG state funds. In the 2015 ESG competition, TDHCA awarded more points to applicants whose ESG programs would serve subpopulations that typically have higher barriers to obtaining and maintaining housing, including: persons with serious mental illness; persons recently released from an institution (prison, jail, mental health institutions, hospitals and treatment facilities); and persons with substance use disorders.

PERSONS WITH DISABILITIES (Mental, Physical, and Developmental)

According to HUD, mental, physical and developmental disabilities can include “hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex, and intellectual disability that substantially limits one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks and caring for oneself” (U.S. Department of Housing and Urban Development, n.d.)

In addition to its relationships with the DAW and the HHSCC, the Department shows its commitment to reducing impediments to affordable housing for persons with disabilities in a variety of programs, policies, and rules designed to reach persons with disabilities across the state. These items are not limited to but include the following:

Highlights specific to Multifamily Properties:

- Texas Government Code and TDHCA’s Uniform Multifamily Rules in the Texas Administrative Code require all TDHCA Multifamily properties funded after September 1, 2001, to operate in compliance with Section 504 of the Rehabilitation Act of 1973. Owners are required to pay for reasonable accommodations/modifications requested by persons with a disability. TDHCA’s Fair Housing Team and Compliance Division have produced a Tenant Rights and Resources Guide for TDHCA Monitored Properties that highlights rights to reasonable accommodations and ways to file discrimination complaints in the state of Texas.
- Texas Government Code and TDHCA’s Uniform Multifamily Rules in the Texas Administrative Code prohibit all TDHCA Multifamily properties from refusing to rent to households with Section 8 Housing Choice Vouchers and other federal subsidy programs solely on the basis of participation in such programs. The draft copy of the Tenant Rights and Resources Guide mentioned above will also assist in highlighting this TDHCA monitored property provision for tenants, PHAs, Legal Aid, and other housing advocacy groups. Specific draft provisions

placed in the revised Tenant Selection Criteria Rule in Subchapter F, such as a prohibition against applying revised criteria retroactively, are intended to further protect voucher-holders who are in good standing under the lease. These and other changes were drafted developed through suggestions made by local advocacy and legal aid groups who reviewed the rule draft on a TDHCA website forum.

- The 2016 QAP, which was approved by the TDHCA Board on November 12, 2015, and submitted to the Governor for approval, includes incentives through its scoring criteria (for Competitive 9% HTC applicants) for participation in TDHCA's new HUD-funded grant for the 811 PRA Demonstration Program, which is intended to offer additional housing options for persons with disabilities through project based section 8 vouchers that will be utilized in its Housing Tax Credit portfolio.
- In collaboration with the HHSCC, TDHCA participated in and helped to produce a series of short videos designed to describe and promote fair housing and reasonable accommodations information, homeless and emergency services, supportive housing, and several state assistance and housing programs. The series is available on Youtube.com and is featured on TDHCA's website at: <http://www.tdhca.state.tx.us/hhsc/service-enriched-housing-videos.htm>.

Highlights specific to Single Family and Community Affairs Programs:

- For 2013, the TDHCA Governing Board approved an increase in Project Access Vouchers from 120 to 140 to maximize the amount of assistance provided to low-income households with persons with disabilities. Project Access was created to serve as a voucher source for individuals exiting nursing facilities, Intermediate Care Facilities, and board and care homes as defined by HUD. To reduce the time a client is on the Project Access wait list, Project Access staff worked closely with HOME TBRA staff and Administrators to identify a process that transitions eligible voucher holders to HOME TBRA and then subsequently to a Project Access voucher to minimize gaps in services and offer longer term assistance to persons with disabilities. Project Access vouchers, along with providing additional rental assistance vouchers for previously unassisted households, will also widen the ability of the HOME program to serve persons with disabilities (in addition to its Homebuyer Assistance, Single Family Development, and Homeowner Rehabilitation Activities which currently offer additional funds for persons with disabilities requesting accessible features). Through this intensive management of these vouchers, the Project Access waiting list has been almost depleted as of December 2015, so that those newly interested in the program now have significantly reduced wait times.
- ESG created a more substantive Fair Housing section in its ESG Implementation Workshop in 2014 and 2015. The training has assisted the Department in opening dialogues with several shelter providers about potentially discriminatory provisions and the need to adopt reasonable accommodations and complaint procedures. The expanded ESG Fair Housing training module represents one of many opportunities for the Department to act as a resource in creating and revising program area trainings on reasonable accommodations and fair housing related issues and opening dialogues with community housing and service providers receiving TDHCA funds.

Advocates for the elderly and persons with disabilities continue to stress 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, kitchens 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. Since many persons with disabilities and older Texans live on fixed incomes, such as Supplemental Security Income, another recognized need is deeply affordable rents.

Policy-Driven Action: The CEAP, WAP, HOME Program, HTC Program, Multifamily Bond Program, NSP, HTF Program, Section 8 Program, and Section 811 PRA Program all have specific measures to address the needs of people with disabilities. Furthermore, the Integrated Housing Rule, as implemented by TDHCA, works to ensure that persons with disabilities are able to live in integrated settings like individuals without 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, all of which collaborate with groups representing people with disabilities, described under “Policy Initiatives” above.

Priority for energy assistance through CEAP and WAP are given to persons 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 is allocated for serving persons with disabilities living in any part of the state. The 2015 Single Family HOME NOFA allows administrators to provide tenant-based rental assistance, homebuyer assistance and homeowner rehabilitation assistance under the Persons with Disabilities Set-Aside. Furthermore, the HOME Homebuyer Assistance with Rehabilitation activity provides down payment and closing cost assistance and homebuyers with disabilities can request assistance with construction costs associated with architectural barrier.

The Multifamily Direct Loan Program, HTC Program, and Multifamily Bond Program rental developments that are multifamily new construction must conform to Section 504 standards, which require that at least five percent of the development’s units be accessible for persons with physical disabilities and at least two percent of the units be accessible for person with hearing and visual impairments. In addition, the Uniform Multifamily Rules call for at least 20% of unit types that would normally be exempt from Fair Housing accessibility requirements to comply.

The QAP, which governs the Competitive 9% HTC program, offers points in the scoring criteria for developments that propose to commit at least 10 units to participate in the Section 811 PRA Program, which serves persons with disabilities or set aside 5 percent of the units for persons with special needs; One of the nine special needs categories for the HTC Program is persons with disabilities.

The HTF’s Amy Young Barrier Removal Program provides one-time grants of up to \$20,000 to people with disabilities at or below 80 percent AMFI for accessibility modifications and to eliminate life-threatening hazards and correct unsafe conditions. Modifications may include, but are not limited to installing handrails; ramps, buzzing or flashing devices; accessible door and faucet handles; shower grab bars and shower wands; accessible showers, toilets and sinks; and door widening and counter adjustments.

Additionally, ESG subrecipients may choose to prioritize certain subpopulations to serve with their ESG state funds. In the 2015 ESG competition, TDHCA awarded more points to applicants whose ESG programs would serve subpopulations that typically have higher barriers to obtaining and maintaining housing, including: persons with serious mental illness; persons recently released from

an institution (prison, jail, mental health institutions, hospitals and treatment facilities); and persons with substance use disorders.

Policy-Driven Action: TDHCA is now one of 25 states awarded funds by HUD for the Section 811 PRA Program. TDHCA received the maximum grant amount for HUD's 2012 and 2013 rounds. These two grants will provide project-based affordable housing for extremely low-income persons with disabilities, in eight MSAs in Texas, including Austin-Round Rock; Brownsville-Harlingen; Corpus Christi, Dallas-Fort Worth-Arlington; El Paso; Houston-The Woodlands-Sugar Land; McAllen-Edinburg-Mission; and San Antonio-New Braunfels. Tenants must be a member of one of the following Target Populations: 1) Persons Exiting Institutions, not including incarceration; 2) Youth and Young Adults Exiting Foster Care with Disabilities; and 3) Persons with Serious Mental Illness. The service areas of the program and target populations selected were the result of an extensive public input process involving persons with disabilities, developers, advocates and state agencies. The purpose of this program is to provide long-term project-based rental assistance contracts for affordable housing units set aside for extremely low-income persons with disabilities. TDHCA entered into an Inter-Agency Agreement with the Texas Health and Human Services Commission, which was a requirement of the Section 811 PRA grant application. The Inter-Agency Agreement outlines the targeted populations for the Section 811 program, methods of outreach and referral and commitments of availability of services from the Health and Human Service Agencies.

Integrated Housing Rule

Advocates for persons with disabilities engaged with the Department to advocate that affordable housing for persons with disabilities should be integrated into the community. Integrated housing, as defined by SB 367 and passed by the 77th 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 persons with disabilities or persons with disabilities in combination with other special needs populations.

- Large housing developments (50 units or more) shall provide no more than 18 percent of the units of the development set aside exclusively for people with disabilities. The units must be dispersed throughout the development.
- Small housing developments (less than 50 units) shall provide no more than 36 percent of the units of the development set aside exclusively for people with disabilities. These units must be dispersed throughout the development.
- Set-aside percentages outlined above refer only to the units that are to be solely restricted for persons with disabilities. This section does not prohibit a property from having a higher percentage of occupants with disabilities.
- 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. The Section 811 PRA Program has a federally-mandated unit integration requirement of 25%, without regard to the number of units in a development. Developments participating in the Section 811 PRA Program must restrict the lowest applicable percentage of units.

PERSONS WITH VIOLENCE AGAINST WOMAN ACT (“VAWA”) PROTECTIONS

Persons with VAWA protections include victims of domestic violence, dating violence, sexual assault, or stalking. Many victims of domestic violence who are living in poverty are often forced to choose between staying in abusive relationships or becoming homeless. For many victims, concerns over their ability to provide housing for themselves and their children are a significant reason for staying in or returning to an abusive relationship. Access to resources that increase economic stability are essential in rebuilding a life after abuse. Although housing is a constant need for domestic violence survivors, according to the National Network to End Domestic Violence, 56% of the victims who identified a need for housing services did not receive them, (2014). Services which may help victims of domestic violence 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.

Additionally, ESG subrecipients may choose to prioritize certain subpopulations to serve with their ESG program. The State ESG program typically funds a number of programs serving victims of domestic violence because many shelters in Texas serve that subpopulation and in the competition for funds, their applications have scored competitively.

Finally, the QAP, which governs the Competitive 9% HTC program, offers points in the scoring criteria for developments that propose to set aside 5 percent of the units for persons with special needs. One of the nine special needs categories for the HTC Program is persons protected by the VAWA.

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. In 2014, there were 80,073 Texans living with HIV/AIDS (Texas Department of State Health Services, 2015). 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 and San Antonio receive HOPWA funds directly from HUD.

Policy-Driven Action: The QAP, which governs the Competitive 9% HTC program, offers points in the scoring criteria for developments that propose to set aside 5 percent of the units for persons with special needs; One of the nine special needs categories for the HTC Program is persons with HIV/AIDS.

PUBLIC HOUSING RESIDENTS

According to HUD, there are 56,118 low-rent units of public housing in Texas. TDHCA believes that the future success of Public Housing Authorities (“PHAs”) will center on ingenuity in program design, maximizing resources, 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 does maintain a relationship with these service providers and PHAs can access HOME funding for single family activities including Homebuyer Assistance, Homeowner Rehabilitation Assistance and Tenant-Based Rental Assistance. TDHCA’s Section 8 Program also works collaboratively with other housing authorities in placing Project Access clients; through those collaborations vouchers are “recycled” and more tenants assisted.

Policy-Driven Action: TDHCA works with executives from several large PHAs in the state as well as 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 HTC Program may also be used for the redevelopment of public housing authority property.

VETERANS

In a recent study of homeless veterans, 60 percent had a substance use disorder (Tsai, Kaspro and Rosenheck, 2013). In addition, as many as two-thirds of homeless veterans of the Iraq and Afghanistan wars had post-traumatic stress disorder (DeAngelis, 2013). These factors may affect veteran’s ability to acquire stable housing.

The 84 (R) Texas Legislative Session’s SB 1580 requires TDHCA, in conjunction with the TICH and the Texas Veterans Commission (TVC) to conduct a study of veterans experiencing homelessness. The study is due to the Texas Legislature no later than December 1, 2016. Detail of the study of veteran homelessness is provided in the Policy Initiative section of this Action Plan.

Policy-Driven Action: From 2008 to 2011, the HTF’s Texas Veterans Rental Assistance Program provided rental and utility subsidies to low-income veterans through the Veterans Rental Assistance Program. In 2011, the 82nd Texas Legislature transferred funds for this program to the Texas Veteran’s Commission, and the 83rd Texas Legislature continued the transfer for the 2012/2013 and 2014/2015 biennia. The Texas Veterans Commission provides an array of services for veterans, including the Fund for Veterans Assistance and Housing4TexasHeroes Program. This program provides temporary housing to low-income or homeless veterans; housing modification services to veterans with disabilities; and permanent housing in the form of new home construction. TDHCA, as a public housing authority, also pursued and was awarded, its first VASH project-based vouchers and will begin administering those vouchers in January 2016.

The QAP, which governs the Competitive 9% HTC program, offers points in the scoring criteria for developments that propose to set aside 5 percent of the units for persons with special needs. One of the nine special needs categories for the HTC Program is veterans and wounded warriors. In addition, the Uniform Multifamily Rules require that development owners affirmatively market to veterans.

YOUTH AGING OUT OF FOSTER CARE

In Texas, youth in the foster care system in Texas age out at 18 years old. In state fiscal year 2013, 1,246 youth were emancipated from foster care with some youth receiving assistance and services to help them transition to adulthood and some youth that do not want continued contact with the child welfare system once they leave foster care. According to a recent study of youth who had been in foster care, when asked where they went when they aged out, the most common responses included 26% went to family home, 15% to foster family home, 5% to a relative's home, 15% to the home of a friend or boyfriend/girlfriend, 4% to a shelter, 5% to transitional living or my own place, 11% to a shelter and 8% went to the streets (Narendorf, 2015).

The 84 (R) Texas Legislative Session's House Bill (HB) 679 requires TDHCA, in conjunction with the TICH, to conduct a study of homeless youth. The study is due to the Texas Legislature no later than December 1, 2016. *Youth Count Texas!* is an initiative headed by TDHCA for a statewide count and needs assessment of Texas homeless and unstably-housed youth starting October, 2015 and running through March, 2016. Detail of the study of youth homelessness is provided in the Policy Initiative section of this Action Plan.

Policy-Driven Action: The Department of Family and Protective Services ("FDPS") has several programs that help meet the needs of youth aging out of foster care. The Preparation for Adult Living ("PAL") Program offers a transitional living allowance that helps youth transition from foster care to adulthood and provides payments for limited services, such as rent or room deposits. The PAL aftercare room and board assistance is available for qualified young adults 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.

DFPS' Extended Foster Care program allows a young adult to stay in foster care up to his/her 21st or 22nd birthday in order to finish high school, attend college or other education institutions, obtain employment, or use the program if the young adult has a qualifying medical condition. The Education and Training Voucher Program allows qualifying youth to participate in post-secondary and vocational or technical programs. A component of Extended Foster Care includes a Supervised Independent Living program which allows young adults to live independently under a minimally supervised living arrangement. Living arrangements may include apartments, non-college and college dorm settings, shared housing and host homes. The Education and Training Voucher Program provides up to \$5,000 per year to qualifying youth and young adults to attend post-secondary and vocational or technical programs in an effort to achieve their educational goals. This program can be used for residential housing and utilities, room and board, books, tuition fees and other services related to success in the educational program.

Finally, DFPS has Youth Transition Centers located in every region in Texas and individually operated and supported by their local communities, partnerships with the Texas Workforce Commission and Department of Family Protective Services. These Centers provide youth and young adults a comprehensive array of services such as transitional living services, case management, employment assistance and housing assistance.

Under the HTC Program, full-time students are eligible to live in a tax credit property if he or she was previously under the care and placement of a foster care agency (assuming they are income eligible).

In February 2013, the Department was notified by HUD that Texas was one of 13 states awarded funds for the Section 811 PRA Program. The purpose of this program is to provide long-term project-based rental assistance for extremely low-income persons with disabilities. Youth exiting foster care with disabilities is one of the target populations for this grant.

SECTION 5: PUBLIC PARTICIPATION

The Texas Department of Housing and Community Affairs (“TDHCA” or “the Department”) 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 information about the public comment process.

- *Participation in TDHCA Programs:* Discusses efforts to ensure that individuals of low income and 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 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, TDHCA staff reaches out to interested parties at informational workshops, roundtables, conferences and property opening events 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 External Affairs Division is responsible for media relations, including press releases, interviews and tracking the frequency in which the Department is mentioned by name or program in news reports and articles; conference exhibit presence and information sharing; program marketing; and speaking engagement coordination. The External Affairs Division oversees and maintains the Department’s social media presence, specifically Twitter, Facebook, Flickr and YouTube, through which those interested in affordable housing and community services programs in Texas can keep up to date with the Department.
- The Help for Texans online database provides a statewide resource for individuals. The *Help for Texans* online database provides contact information for housing and housing-related programs operated by TDHCA and other housing service providers.
- The TDHCA website, through its provision of timely information to consumers, is one of the Department’s most successful marketing tools as well as a key resource for affordable housing and community services programs and fair housing information and resources.
- TDHCA also operates voluntary membership email lists, where subscribed individuals and entities can receive email updates on TDHCA information, announcements and trainings. TDHCA maintains a Fair Housing email list to encourage public participation from community-based, legal aid, fair housing enforcement, housing advocacy, and other

external groups and individuals who are looking for opportunities to engage on Fair Housing topics but are not members of other stakeholder groups receiving email list announcements.

- TDHCA uses online forums to encourage topical discussions and gather feedback on proposed policies, rules, plans, reports, or other activities. Forums have been used for the Housing Tax Credit Program's Qualified Allocation Plan, the Regional Allocation Formula and a variety of program-related rules.
- 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.
- TDHCA releases its annual ESG survey, which seeks direct program input from each Continuum of Care ("CoC") and their member agencies regarding allocation of ESG funds, development of performance standards and outcomes evaluation, and development of funding, policies, and procedures for the administration of HMIS. Comments are collected electronically. Comments received that impact the upcoming allocation of funds are considered in planning the competitive award cycle and in future planning.

PUBLIC PARTICIPATION IN PROGRAM PLANNING

The Department values and relies on community input to direct resources to meet its goals 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 holds public hearings and program workshops throughout the year. Furthermore, TDHCA's Governing Board accepts public comment on programmatic and related policy agenda items at monthly Board Meetings.

The Department ensures that all programs follow the public 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 Director of Human Resources coordinates translation services, the provision of auxiliary aids, and other accommodations as requested to ensure equal access and opportunity to the public. 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, Twitter feed and Facebook page. 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 hearings 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 SLIHP will be made available for public comment on Friday, December 18, 2015, through Thursday, January 21, 2016. Written comments may be submitted to Texas Department of Housing and Community Affairs, Elizabeth Yevich, P.O. Box 13941, Austin, Texas 78711-3941, by email to the following address: info@tdhca.state.tx.us, or by fax to (512) 475-0070.

A public hearing will be held at 2:00 p.m. Austin Local Time on Thursday, January 14, 2016, at Stephen F. Austin State Office Building, room #170, 1700 N. Congress, Austin, Texas 78701.

All public comments must be received by 6:00 p.m. Austin Local Time on Thursday, January 21, 2016.

PUBLIC COMMENTS

Public comments will be included in the final version of this document.

SECTION 6: 2016-2017 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 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 and its border field offices.
- 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 has 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.

Many colonias 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

Based on a 2014 assessment by the Texas Office of the Secretary of State’s Colonia Initiatives Program, an estimated 500,000 people live in 2,294 colonias in Texas. Six Texas counties (El Paso, Maverick, Webb, Starr, Hidalgo and Cameron) have the largest population of colonias and are home to an estimated 369,500 people. Population numbers in this assessment were validated in several

ways: by 2010 census data, by city and county figures, and (in some cases) by colonia ombudspersons conducting site visits.

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 decreases include Hudspeth, Reeves, Pecos, Terrell, Edwards, Kinney, Duval, Jim Hogg and Brooks.

The American Community Survey's 2009-2013 data placed the median household income for Texas at \$51,900, while the median household income for the Texas-Mexico border counties range between \$21,865 and \$50,657, depending on county. Counties are designated as Border or Non-Border according to Article 4 of the La Paz Agreement of 1983, which defines a county as a Border county if that county is within 100 Kilometers of the U.S.-Mexico border. There are 32 counties in Texas designated as Border counties by this definition. Brooks County, near the border, posted the lowest median household income at \$21,865. In the larger border-region cities El Paso, McAllen, Brownsville, Corpus Christi and Laredo, the average median values of owner-occupied housing units in 2012 was \$105,720. El Paso had the highest median home values at \$116,600 (U.S. Census Bureau, 2015).

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 2009-2013 American Community Survey, the poverty level in the State of Texas stood at 17.6 percent, while the four counties with the greatest number of colonias (Brooks, Starr, Willacy, and Hudspeth) had poverty rates of 38.3 percent, 39.2 percent, 40.0 percent and 44.1 percent respectively. Of these counties, all had poverty rates that were double the state's rate.

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 (Texas Comptroller of Public Accounts, 1998). Land acquisition and development can add \$20,000 or more to the cost of a house.

Owner-builder construction—or homes built with sweat-equity by the homeowners themselves—in colonias face even more obstacles. First, federal rules, such as those that govern the HOME Investment Partnerships ("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.

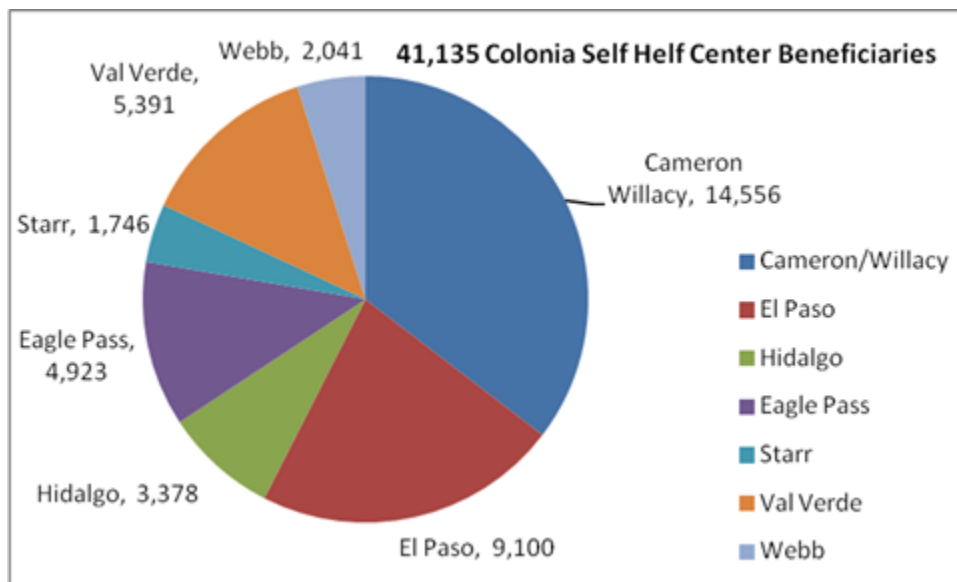
COLONIA BENEFICIARIES

The following table displays the total number of beneficiaries served by the Department’s Colonia Self Help Center (“SHC”) Program for open contracts as of September 2015. This data is reported by the participating counties and provides a representation of the acute need for housing-related assistance. Each administrator conducts its own needs assessment, holds a public hearing and establishes the activities to be performed under the Colonia SHC program. Approximately 88% beneficiaries are of low- to moderate-income. OCI anticipates that the number of beneficiaries served in the table below will be similar for the 2016-2017 biennium.

Colonia Self-Help Centers Open Contracts as of September 2015

County	Total Population Beneficiaries	Total Low- to Moderate-Income Beneficiaries
Cameron/Willacy	14,556	11,994
El Paso	9,100	8,645
Hidalgo	3,378	2,533
Eagle Pass*	4,923	3,938
Starr	1,746	1,746
Val Verde	5,391	5,391
Webb	2,041	1,938
Total	41,135	36,185

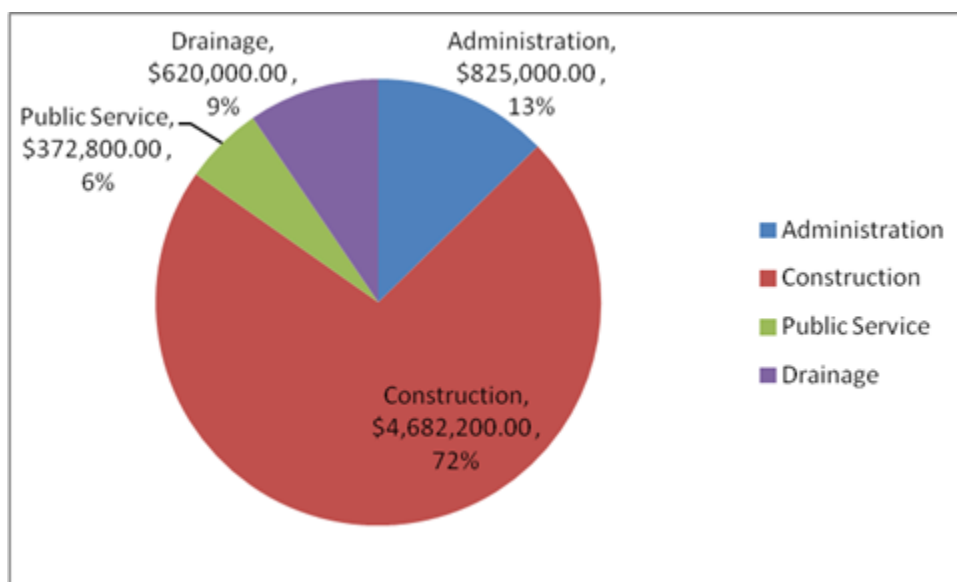
* The SHC previously operated by Maverick County, is now operated county-wide but by the City of Eagle Pass.



The activities performed under the Colonia SHC Program include homeownership classes, operating a tool lending library, construction skills classes, solid waste cleanup campaigns, technology access, utility connections, rehabilitation, self-help small repair, reconstruction and new construction. OCI anticipates that the percentages of funding by activity in the table below will be similar during the 2016-2017 biennium.

Colonia Self-Help Center Activities for Open Contracts as of September 2015

Activity	Funding	Percentage
Administration	\$ 825,000.00	13%
Construction	\$ 4,682,200.00	72%
Public Service	\$ 372,800.00	6%
Drainage	\$ 620,000.00	9%
Total	\$ 6,500,000.00	100%



TDHCA, through its OCI, administers various programs designed to improve the lives of colonia residents. This action plan outlines how various initiatives and programs will be implemented for 2016 and 2017.

FY 2016 and 2017 Office of Colonia Initiatives Funding

Programs	Available Funding for FY 2016	Estimated Available Funding for FY 2017
Texas Bootstrap Loan Program	\$3,000,000	\$3,000,000
Colonia Self-Help Centers	\$1,537,364	\$1,500,000
TOTAL	\$4,537,364	\$4,500,000

COLONIA SELF-HELP CENTERS

Texas Government Code §§2306.581 - §2306.591 directed TDHCA to establish Colonia 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, such as in Maverick and Val Verde counties. 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 public housing authority that has demonstrated the capacity to operate a center.

The 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 42,387 residents. The Department contracts with the counties, who then 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”) in search of capable entities to provide these services.

The Colonia Resident Advisory Committee (“C-RAC”) is a committee of colonia residents appointed by the TDHCA Governing Board which advises the Department on the needs of colonia residents and the types of programs and activities which should be undertaken by the Colonia SHCs. In consultation with C-RAC and the appropriate unit of local government, the Department designates up to five colonias in each county to receive concentrated attention from the Colonia SHCs. Each county nominates two colonia residents—who actually reside in the colonias to be assisted by the local Colonia SHC—to serve on the committee. The C-RAC reviews the county proposals and may make recommendations on contracts before they are considered for award by the Board.

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 \$1.5 million per year. The CDBG funds are transferred to the Department through a memorandum of understanding with the Texas Department of Agriculture. Only units of local government are eligible to receive CDBG funds and the Department enters into contracts with each participating county to implement the Colonia SHC Program. The Department provides administrative and general oversight to ensure programmatic and contract compliance. Colonia SHCs are encouraged to seek funding from other sources to help them achieve their goals and performance measures.

BORDER FIELD OFFICES

OCI operates three Border Field Offices along the Texas-Mexico border, located in Pharr, Laredo and El Paso, to act as a liaison between nonprofit organizations and units of local government as they administer various OCI programs. The Border Field Offices also provide technical assistance to nonprofits, for-profits, units of local government, community organizations and colonia residents along the 150 mile Texas-Mexico border region. The Border Field Offices are partially funded from

General Revenue, Appropriated Receipts and the CDBG program. OCI will continue to maintain the Border Field Offices.

The Border Field Offices anticipate approximately 1,380 technical assistance outreach efforts to nonprofit organizations and units of local government in 2016 and 2017. This includes providing guidance on program rules, reviewing funding draw submissions, analyzing policies and procedures, conducting workshops and trainings, inspections, reviewing loan applications and assuring general compliance with any of OCIs programs. In addition, the Border Field Offices anticipate making approximately 1,380 technical assistance efforts in the form of information resources to both colonia residents and organizations. This includes referrals to housing programs, social services, manufactured housing, debt and financial counseling, legal, homeownership and directory assistance to other local, state and national programs. Lastly, the Border Field Offices and the Colonia SHCs will provide 4,000 targeted technical assistance to individual colonia residents through the Colonia SHC Program as a whole.

TEXAS BOOTSTRAP LOAN PROGRAM

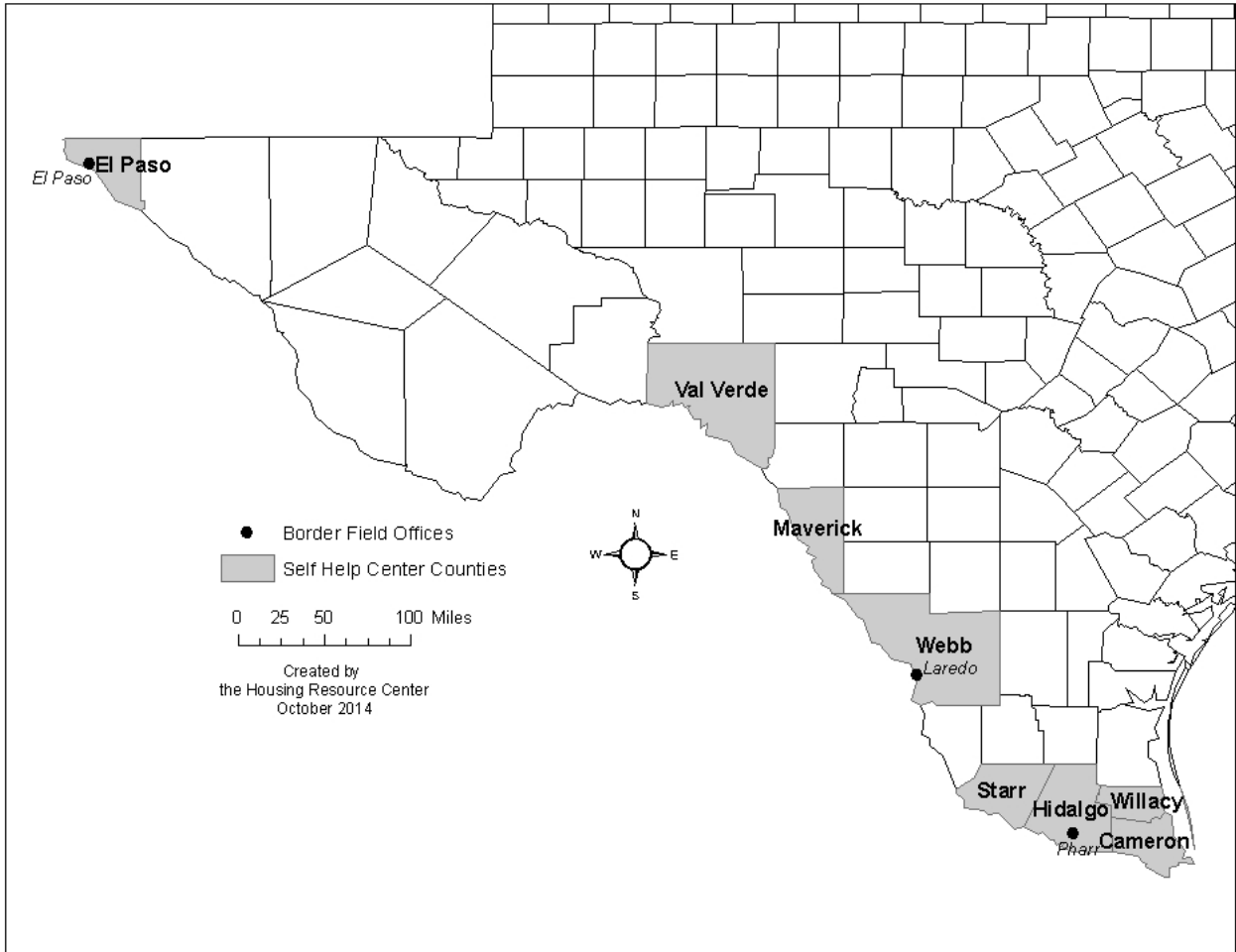
The Texas Bootstrap Loan Program is a statewide program that provides funds to Colonia SHCs or certified non-profit organizations to enable eligible households (also known as “Owner-Builders”) to purchase real estate and construct or renovate a home using sweat equity. Under Section 2306.753(d) of the Texas Government Code, the Program sets aside two-thirds of the funds for Owner-Builders whose property is in a census tract that has a median household income not greater than 75% of the current median state household income.

The Texas Bootstrap Program promotes and enhances homeownership for very low-income Texans. The Owner-Builders must provide a minimum of 65% of the labor required to build or rehabilitate the home. Section 2306.753(a) of the Texas Government Code directs TDHCA to prioritize assisting Owner-Builders with an annual income of less than \$17,500. The maximum Bootstrap Program loan amount per Owner-Builder is \$45,000. The total amount of loans made with TDHCA and any other funding source may not exceed a combined \$90,000 per household.

In 2008, the OCI implemented a “reservation system” in an effort to disseminate Texas Bootstrap funds across a broader network of “Nonprofit Owner-Builder Housing Provider” NOHPs and increase the Department’s efficiency in assisting households. The reservation system is a ready-to-proceed model that allows program funds to be expended rapidly on a first-come, first-served basis. After being certified to participate in the program and executing a Loan Origination Agreement with the Department, the NOHPs submit individual loan applications to the Department on behalf of their Owner-Builder applicants, known as a “reservation” of Bootstrap funds. The reservations expire after 12 months in which time the NOHPs must train the Owner-Builders in self-help construction techniques, complete construction and close the Owner-Builders’ mortgage loans.

The Texas Bootstrap Program allocation is \$3,000,000 for FY 2016 and \$3,000,000 for FY 2017. For each year, the funds will be made available under a Notice of Funding Availability (“NOFA”).

Border Field Office and Colonia Self Help Centers



**SECTION 8: TEXAS STATE AFFORDABLE HOUSING CORPORATION
ANNUAL ACTION PLAN**

The Texas State Affordable Housing Corporation Annual Action Plan will be included in the final version of the 2016 SLIHP.

SECTION 9: APPENDIX

APPENDIX A: LEGISLATIVE REQUIREMENTS FOR THE STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT

SEC. 2306.072. ANNUAL LOW INCOME HOUSING REPORT

- (a) Not later than March 18 of each year, the director shall prepare and submit to the board an annual report of the department's housing activities for the preceding year.
- (b) Not later than the 30th 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 goals established with respect to the populations described by Section 2306.0721(c)(1); and
 - (D) recommendations on how to improve the coordination of department services to the populations described by Section 2306.0721(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 30th 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;
 - (E) farmworkers;
 - (F) youth who are aging out of foster care; and
 - (G) elderly individuals;
 - (2) a proposal to use all available housing resources to address the housing needs of the populations described by Subdivision (1) by establishing funding levels for all housing-related programs;
 - (3) an estimate of the number of federally assisted housing units available for individuals and families of low and very low income and individuals with special needs in each uniform state service region;
 - (4) a description of state programs that govern the use of all available housing resources;
 - (5) a resource allocation plan that targets all available housing resources to individuals and families of low and very low income and individuals with special needs in each uniform state service region;
 - (6) a description of the department's efforts to monitor and analyze the unused or underused federal resources of other state agencies for housing-related services and services for homeless individuals and the department's recommendations to ensure the full use by the state of all available federal resources for those services in each uniform state service region;

- (7) strategies to provide housing for individuals and families with special needs in each uniform state service region;
- (8) a description of the department's efforts to encourage in each uniform state service region the construction of housing units that incorporate energy efficient construction and appliances;
- (9) an estimate and analysis of the housing supply in each uniform state service region
- (10) an inventory of all publicly and, where possible, privately funded housing resources, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies;
- (11) strategies for meeting rural housing needs;
- (12) a biennial action plan for colonias that:
 - (A) addresses current policy goals for colonia programs, strategies to meet the policy goals, and the projected outcomes with respect to the policy goals;
 - (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
- (13-a) information regarding foreclosures of residential property in this state, including the number and geographic location of those foreclosures.
- (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.

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APPENDIX C: ACRONYMS

ACRONYM	NAME
ADA	Americans with Disabilities Act
AI	Analysis of Impediments to Fair Housing Choice
AMFI	Area Median Family Income
ARRA	American Recovery and Reinvestment Act
ASTM	American Society for Testing and Materials
BRB	Bond Review Board
CAA	Community Action Agencies
CDBG	Community Development Block Grants
CEAP	Comprehensive Energy Assistance Program
CHDO	Community Housing Development Organization
CMTS	Compliance Monitoring and Tracking System
CoC	Continuum of Care
CSBG	Community Service Block Grants
DADS	Texas Department of Aging and Disability Services
DARS	Texas Department of Assistive and Rehabilitative Services
DAW	Disability Advisory Workgroup
DFPS	Texas Department of Family Protective Services
DOE	United States Department of Energy
DSHS	Texas Department of State Health Services'
ESG	Emergency Solutions Grant Program
ESGP	Emergency Shelter Grant Program
FFY	Federal Fiscal Year (10/1-9/30)
FHA	Fair Housing Act
GLO	General Land Office
HERA	Housing and Economic Recovery Act
HHSP	Homeless Housing and Services Program
HMIS	Homeless Management Information Systems
HOME	HOME Investment Partnerships Program
HRC	Housing Resource Center
HSP	Housing and Services Partnerships
HTC	Housing Tax Credit Program
HTF	Housing Trust Fund
HUD	U.S. Department of Housing and Urban Development
HVC	Housing Choice Voucher
LEP	Limited English Proficiency
LIHEAP	Low Income Home Energy Assistance Program

ACRONYM	NAME
LIHTC	Low Income Housing Tax Credit
MCC	Mortgage Credit Certificate
MSA	Metropolitan Statistical Areas
NFMC	National Foreclosure Mitigation Counseling
NOFA	Notice of Funding Availability
NOHP	Nonprofit Owner-Builder Housing Provider
NSP	Neighborhood Stabilization Program
OCI	Office of Colonia Initiatives
OMB	U.S. Office of Management and Budget
PAB	Private Activity Bond
PAL	Preparation for Adult Living
PJ	Participating Jurisdiction
PRA	Project Rental Assistance
PWD	Persons with Disabilities
PY	HUD Program Year (2/1 - 1/31)
QAP	Qualified Allocation Plan
RAF	Regional Allocation Formula
SFOS	Single Family Operation and Services
SHC	Self-Help Centers
SLIHP	State Low Income Housing Plan and Annual Report
TCAP	Tax Credit Assistance Program
TCAP RF	Tax Credit Assistance Program Repayment Funds
TDHCA	Texas Department of Housing and Community Affairs
THN	Texas Homeless Network
TMP	Taxable Mortgage Program
TSAHC	Texas State Affordable Housing Corporation
USHHS	United States Health and Human Services
VAWA	Violence Against Women Act
WAP	Weatherization Assistance Program



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BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §5.7 concerning Fidelity Bond Requirements, and directing that it be published in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Texas Government Code, §§2306.053 and 2306.092, the Department is provided the authority to adopt rules governing the administration of the Department and its Community Affairs programs and

WHEREAS, the proposed amendments were approved for publication at the Board meeting of October 15, 2015, and were published in the October 30, 2015, issue of the *Texas Register* to allow for public comment:

NOW, therefore, it is hereby

RESOLVED, that the final order adopting the amendments to 10 TAC §5.7 are hereby approved, together with the preamble presented to this meeting, for publication in the *Texas Register* and

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, Community Affairs Programs, Subchapter A, General Provisions, §5.7 Fidelity Bond Requirements, in the form presented to this meeting, to be published in the *Texas Register* and in connection therewith make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

The purpose of the amendments to 10 TAC §5.7 is to remove reference to the Office of Management and Budget (“OMB”) Circular A-110 “Administrative Requirements for Grants to Non-Profits”, which has been replaced by requirements included in 2 Code of Federal Regulations (“CFR”) Part 200 and addressed elsewhere in this Subchapter, and update Subrecipient requirements for fidelity bond documentation.

The amendments were approved for publication at the Board meeting of October 15, 2015, and were published in the October 30, 2015, issue of the *Texas Register* to allow for public comment. No comments were received.

Attachment A: Preamble and Amended 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, General Provisions, §5.7

The Texas Department of Housing and Community Affairs (the "Department") adopts amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, General Provisions, §5.7 Fidelity Bond Requirements, with no changes to the proposed text as published in the October 30, 2015, issue of the *Texas Register* (40 TexReg 7546).

REASONED JUSTIFICATION. The purpose of the amendments to 10 TAC §5.7 is to remove reference to the Office of Management and Budget ("OMB") Circular A-110 "Administrative Requirements for Grants to Non-Profits", which has been replaced by requirements included in 2 Code of Federal Regulations ("CFR") Part 200 and addressed elsewhere in this Subchapter, and update Subrecipient requirements for fidelity bond documentation.

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS.

Comments were accepted from October 23, 2015, through November 23, 2015. No comments were received.

STATUTORY AUTHORITY. The amended sections are adopted pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules, and Chapter 2306, Subchapter E, which authorizes the Department to administer its Community Affairs programs.

The amendments affect no other code, article, or statute.

§5.7. Fidelity Bond Requirements.

The Department is required to assure that fiscal control and accounting procedures for federally funded entities will be established to assure the proper disbursement and accounting for the federal funds paid to the state. In compliance with that assurance the Department requires program Subrecipients to maintain adequate fidelity bond coverage. A fidelity bond is a bond indemnifying the Subrecipient against losses resulting from the fraud or lack of integrity, honesty or fidelity of one or more of its employees, officers, or other persons holding a position of trust.

(1) In administering Contracts, Subrecipients shall observe their regular requirements and practices with respect to bonding and insurance. In addition, the Department may impose bonding and insurance requirements by contract.

(2) If a Subrecipient is a non-governmental organization, the Department requires an adequate fidelity bond. If the amount of the fidelity bond is not prescribed in the contract, the fidelity bond must be for a minimum of \$10,000 or an amount equal to the contract if less than \$10,000. The bond must be obtained from a company holding a certificate of authority to issue such bonds in the State of Texas.

(3) The fidelity bond coverage must include all persons authorized to sign or counter-sign checks or to disburse sizable amounts of cash. Persons who handle only petty cash (amounts of less than \$250) need not be bonded, nor is it necessary to bond officials who are authorized to sign payment vouchers, but are not authorized to sign or counter-sign checks or to disburse cash.

(4) The Subrecipient must receive an assurance letter from the bonding company or agency stating the type of bond, the amount and period of coverage, the positions covered, and the annual cost of the bond. Compliance must be continuously maintained thereafter. A copy of the actual policy shall remain on file with the Subrecipient and shall be subject to monitoring by the Department.

(5) Subrecipients are responsible for filing claims against the fidelity bond when a covered loss is discovered. The Department may take any one or more of the actions described in Chapter 2, Subchapter B of this Part, titled “Enforcement Regarding Community Affairs Contract Subrecipients.”

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BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 12, concerning the Multifamily Housing Revenue Bond Rules, and an order adopting new 10 TAC Chapter 12, concerning the Multifamily Housing Revenue Bond Rules, and directing its publication in the *Texas Register*.

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (“Department”) is authorized to issue multifamily housing revenue bonds for the State of Texas;

WHEREAS, the Department developed the Multifamily Housing Revenue Bond Rules to establish the procedures and requirements relating to an issuance of bonds;

WHEREAS, the proposed repeal and proposed new Chapter 12 were presented and approved at the Board Meeting of October 15, 2015, and published in the October 30, 2015, issue of the *Texas Register* for public comment

WHEREAS, the public comment period ended on November 30, 2015, and no comment was received relating to this rule; and

WHEREAS, there were comments received in response to the 2016 Draft Uniform Multifamily Rules and 2016 Draft Qualified Allocation Plan (“QAP”) that impact this rule and modified accordingly;

NOW, therefore, it is hereby

RESOLVED, that the final order adopting the repeal of the current 10 TAC Chapter 12 and the order adopting the new 10 TAC Chapter 12, regarding the Multifamily Housing Revenue Bond Rules, together with the preambles presented to this meeting, are hereby approved for publication in the *Texas Register* and

FURTHER RESOLVED, that the Executive Director and his designees be and each of them are hereby authorized, empowered, and directed, for and on behalf of the Department, to cause the repeal and new Multifamily Housing Revenue Bond Rules, together with the preambles in the form presented to this meeting, to be published in the *Texas Register*, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

The Board approved the 2016 Draft Multifamily Housing Revenue Bond Rules (“Bond Rules”) at the Board Meeting of October 15, 2015, to be published in the *Texas Register* for public comment. The Department did not receive any comments specific to the 2016 Bond Rules; however, there were comments received in

response to the 2016 Draft Uniform Multifamily Rules and 2016 Draft QAP that impact this rule. These comments were accepted with regard to this rule and changes were made to be consistent with those made to the Uniform Multifamily Rules and QAP. Specifically, the change is noted in §12.6 relating to the period of time for which unit and development features and tenant services must be provided. The draft reflected a requirement to provide these items throughout the Extended Use Period; however, in response to public comment on the Uniform Multifamily Rules, the term has been changed to Affordability Period. Moreover, there is a change to §12.6(8) to be consistent with the options provided under the Underserved Area scoring item in the 2016 QAP.

Preamble, Reasoned Response, and New Rule

The Texas Department of Housing and Community Affairs (the "Department") adopts new 10 TAC Chapter 12, §§12.1 - 12.10, concerning Multifamily Housing Revenue Bond Rules, with changes to the proposed text as published in the October 30, 2015, issue of the *Texas Register* (40 TexReg 7547). Sections 12.1 – 12.5, 12.7 – 12.10 are adopted without change and will not be republished.

REASONED JUSTIFICATION. The Department finds that the adoption of the rule will improve the Private Activity Bond Program and achieve consistency with other multifamily programs.

The Department accepted public comments between October 30, 2015, and November 30, 2015. Comments regarding the proposed new sections were accepted in writing and by fax. No comments were received concerning the proposed new sections.

STATUTORY AUTHORITY. The new sections are adopted pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules.

Multifamily Housing Revenue Bond Rules

§12.1. General.

(a) Authority. The rules in this chapter apply to the issuance of multifamily housing revenue bonds ("Bonds") by the Texas Department of Housing and Community Affairs ("Department"). The Department is authorized to issue Bonds pursuant to Texas Government Code, Chapter 2306. Notwithstanding anything in this chapter to the contrary, Bonds which are issued to finance the Development of multifamily rental housing are subject to the requirements of the laws of the State of Texas, including but not limited to Texas Government Code, Chapters 1372 and 2306, and federal law pursuant to the requirements of Internal Revenue Code ("Code"), §142.

(b) General. The purpose of this chapter is to state the Department's requirements for issuing Bonds, the procedures for applying for Bonds and the regulatory and land use restrictions imposed upon Bond financed Developments. The provisions contained in this chapter are separate from the rules relating to the Department's administration of the Housing Tax Credit program. Applicants seeking a Housing Tax Credit Allocation should consult Chapter 11 of this title (relating to the Housing Tax Credit Program Qualified Allocation Plan) and Chapter 10 of this title (relating to Uniform Multifamily Rules) for the current program year. In general, the Applicant will be required to satisfy the requirements of the Qualified Allocation Plan ("QAP") and Uniform Multifamily Rules in effect at the time the Certificate of Reservation is issued by the Texas Bond Review Board. If the applicable QAP or Uniform Multifamily Rules contradict rules set forth in this chapter, the applicable QAP or Uniform Multifamily Rules will take precedence over the rules in this chapter. The Department encourages participation in the Bond program by working directly with Applicants, lenders, Bond Trustees, legal counsels, local and state officials and the general public to conduct business in an open, transparent and straightforward manner.

(c) Costs of Issuance. The Applicant shall be responsible for payment of all costs related to the preparation and submission of the pre-application and Application, including but not limited to, costs associated with the publication and posting of required public notices and all costs and expenses associated with the issuance of the Bonds, regardless of whether the Application is ultimately approved or whether Bonds are ultimately issued. At any stage during the process, the Applicant is solely responsible for determining whether to proceed with the Application and the Department disclaims any and all responsibility and liability in this regard.

(d) Taxable Bonds. The Department may issue taxable Bonds and the requirements associated with such Bonds, including occupancy requirements, shall be determined by the Department on a case by case basis.

(e) Waivers. Requests for waivers of program rules must be made in accordance with §10.207 of this title (relating to Waiver of Rules for Applications).

§12.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise. Any capitalized terms not specifically mentioned in this section shall have the meaning as defined in Texas Government Code, Chapter 2306, §§141, 142, and 145 of the Internal Revenue Code, and Chapter 10 of this title (relating to Uniform Multifamily Rules).

(1) Institutional Buyer--Shall have the meaning prescribed under 17 CFR §230.501(a), but excluding any natural person or any director or executive officer of the Department (17 CFR §230.501(a)(4) - (6)), or as defined by 17 CFR §230.144(A), promulgated under the Securities Act of 1935, as amended.

(2) Persons with Special Needs--Shall have the meaning prescribed under Texas Government Code, §2306.511.

(3) Bond Trustee--A financial institution, usually a trust company or the trust department in a commercial bank, that holds collateral for the benefit of the holders of municipal securities. The Bond Trustee's obligations and responsibilities are set forth in the Indenture.

§12.3. Bond Rating and Investment Letter.

(a) Bond Ratings. All publicly offered Bonds issued by the Department to finance Developments shall have a debt rating the equivalent of at least an "A" rating assigned to long-term obligations by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or Moody's Investors Service, Inc. If such rating is based upon credit enhancement provided by an institution other than the Applicant or Development Owner, the form and substance of such credit enhancement shall be subject to approval by the Board, evidenced by a resolution authorizing the issuance of the credit enhanced Bonds.

(b) Investment Letters. Bonds rated less than "A," or Bonds which are unrated must be placed with one or more Institutional Buyers and must be accompanied by an investor letter acceptable to the Department. Subsequent purchasers of such Bonds shall also be qualified as Institutional Buyers and shall execute and deliver to the Department an investor letter in a form satisfactory to the Department. Bonds rated less than "A" and Bonds which are unrated shall be issued in physical form, in minimum denominations of one hundred thousand dollars (\$100,000), and shall carry a legend requiring any purchasers of the Bonds to sign and deliver to the Department an investor letter in a form acceptable to the Department.

§12.4. Pre-Application Process and Evaluation.

(a) Pre-Inducement Questionnaire. Prior to the filing of a pre-application, the Applicant shall submit the Pre-Inducement Questionnaire, in the form prescribed by the Department, so the Department can get a preliminary understanding of the proposed Development plan before a pre-application and corresponding fees are submitted. Information requested by the Department in the questionnaire includes, but is not limited to, the financing structure, borrower and key principals, previous housing tax credit or private activity bond experience, related party or identity of interest relationships and contemplated scope of work (if proposing Rehabilitation). After reviewing the pre-inducement questionnaire, Department staff will follow-up with the Applicant to discuss the next steps in the process and may schedule a pre-inducement conference call or meeting. Prior to the submission of a pre-application, it is important that the Department and Applicant communicate regarding the Department's objectives and policies in the development of affordable housing throughout the State using Bond financing. The acceptance of the questionnaire by the Department does not constitute a pre-application or Application and does not bind the Department to any formal action regarding an inducement resolution.

(b) Undesirable Neighborhood Characteristics. If the Development Site has any of the characteristics described in §10.101(a)(4)(B) of this title (relating to Site and Development Requirements and Restrictions), the Applicant must disclose the presence of such characteristics to the Department. Disclosure may be done at time of pre-application and handled in connection with the inducement or it can be addressed at the time of Application submission. The Application may be subject to termination should staff conclude that the

Development Site has any characteristics found in §10.101(a)(4)(B) of this title (relating to Site and Development Requirements and Restrictions) and the Applicant failed to disclose.

(c) Pre-Application Process. An Applicant who intends to pursue Bond financing from the Department shall submit a pre-application by the corresponding pre-application submission deadline, as set forth by the Department. The required pre-application fee as described in §12.10 of this chapter (relating to Fees) must be submitted with the pre-application in order for the pre-application to be accepted by the Department. Department review at the time of the pre-application is limited and not all issues of eligibility and documentation submission requirements pursuant to Chapter 10 of this title (relating to Uniform Multifamily Rules) are reviewed. The Department is not responsible for notifying an Applicant of potential areas of ineligibility or other deficiencies at the time of pre-application. If the Development meets the criteria as described in §12.5 of this chapter (relating to Pre-Application Threshold Requirements), the pre-application will be scored and ranked according to the selection criteria as described in §12.6 of this chapter (relating to Pre-Application Scoring Criteria).

(d) Scoring and Ranking. The Department will rank the pre-application according to score within each priority defined by Texas Government Code, §1372.0321. All Priority 1 pre-applications will be ranked above all Priority 2 pre-applications which will be ranked above all Priority 3 pre-applications. This priority ranking will be used throughout the calendar year. The selection criteria, as further described in §12.6 of this chapter, reflect a structure which gives priority consideration to specific criteria as outlined in Texas Government Code, §2306.359. In the event two or more pre-applications receive the same score, the Department will use the tie breaker factors as outlined in §11.7 of this title (relating to Tie Breaker Factors) in the order they are presented to determine which pre-application will receive preference in consideration of a Certificate of Reservation.

(e) Inducement Resolution. After the pre-applications have been scored and ranked, the pre-application and proposed financing structure will be presented to the Department's Board for consideration of an inducement resolution declaring the Department's initial intent to issue Bonds with respect to the Development. Approval of the inducement resolution does not guarantee final Board approval of the Bond Application. Department staff may recommend that the Board not approve an inducement resolution for a pre-application. Each Development is unique, and therefore, making the final determination to issue Bonds is often dependent on the issues presented at the time the full Application is considered by the Board.

§12.5. Pre-Application Threshold Requirements.

The threshold requirements of a pre-application include the criteria listed in paragraphs (1) - (9) of this section. As the Department reviews the pre-application the assumptions as reflected in Chapter 10, Subchapter D of this title (relating to Underwriting and Loan Policy) will be utilized even if not reflected by the Applicant in the pre-application.

- (1) Submission of the multifamily bond pre-application in the form prescribed by the Department;
- (2) Completed Bond Review Board Residential Rental Attachment for the current program year;
- (3) Site Control, evidenced by the documentation required under §10.204(10) of this title (relating to Required Documentation for Application Submission). The Site Control must be valid through the date of the Board meeting at which the inducement resolution is considered and must meet the requirements of §10.204(10) of this title at the time of Application;

- (4) Boundary survey or plat clearly identifying the location and boundaries of the subject Property;
- (5) Local area map that shows the location of the Development Site and the location of at least six (6) community assets within a one mile radius (two miles if in a Rural Area). Only one community asset of each type will count towards the number of assets required. The mandatory community assets and specific requirements are identified in §10.101(a)(2) of this title (relating to Site and Development Requirements and Restrictions);
- (6) Organization Chart showing the structure of the Development Owner and of any Developer or Guarantor, providing the names and ownership percentages of all Persons having an ownership interest in the Development Owner or the Developer or Guarantor, as applicable.
- (7) Distribution List Form, as provided in the pre-application, to include the anticipated financing participants;
- (8) Evidence of Entity Registration or Reservation with the Texas Office of the Secretary of State;
- (9) A certification, as provided in the pre-application, that the Applicant met the requirements and deadlines for public notifications as identified in §10.203 of this title (relating to Public Notifications (§2306.6705(9))). Notifications must not be older than three (3) months prior to the date of Application submission. Re-notification will be required by Applicants who have submitted a change from pre-application to Application that reflects a total Unit increase of greater than 10 percent or a 5 percent increase in density (calculated as units per acre) as a result of a change in the size of the Development Site. In addition, should a change in elected official occur between the submission of a pre-application and the submission of an Application, Applicants are required to notify the newly elected (or appointed) official.

§12.6. Pre-Application Scoring Criteria.

This section identifies the scoring criteria used in evaluating and ranking pre-applications. The criteria identified below include those items required under Texas Government Code, §2306.359 and other criteria considered important by the Department. Any scoring items that require supplemental information to substantiate points must be submitted in the pre-application, as further outlined in the Multifamily Bond Pre-Application Procedures Manual. Applicants proposing multiple sites will be required to submit a separate pre-application for each Development Site. Each Development Site will be scored on its own merits and the final score will be determined based on an average of all of the individual scores.

- (1) Income and Rent Levels of the Tenants. Pre-applications may qualify for up to (10 points) for this item.
 - (A) Priority 1 designation includes one of clauses (i) - (iii) of this subparagraph. (10 points)
 - (i) Set aside 50 percent of Units rent capped at 50 percent AMGI and the remaining 50 percent of units rents capped at 60 percent AMGI; or
 - (ii) Set aside 15 percent of units rent capped at 30 percent AMGI and the remaining 85 percent of units rent capped at 60 percent AMGI; or
 - (iii) Set aside 100 percent of units rent capped at 60 percent AMGI for Developments located in a census tract with a median income that is higher than the median income of the county, MSA or PMSA in which the census tract is located.
 - (B) Priority 2 designation requires the set aside of at least 80 percent of the Units capped at 60 percent AMGI. (7 points)
 - (C) Priority 3 designation. Includes any qualified residential rental development. Market rate units can be included under this priority. (5 points)

(2) Cost of Development per Square Foot. (1 point) For this item, costs shall be defined as either the Building Cost or the Hard Costs as represented in the Development Cost Schedule, as originally provided in the pre-application. This calculation does not include indirect construction costs. Pre-applications that do not exceed \$95 per square foot of Net Rentable Area will receive one (1) point. Rehabilitation will automatically receive (1 point).

(3) Unit Sizes. (5 points) The Development must meet the minimum requirements identified in this subparagraph to qualify for points. Points for this item will be automatically granted for Applications involving Rehabilitation (excluding Reconstruction) provided they are requested in the Private Activity Bond Pre-Application Scoring Form.

- (A) five-hundred-fifty (550) square feet for an Efficiency Unit;
- (B) six-hundred-fifty (650) square feet for a one Bedroom Unit;
- (C) eight-hundred-fifty (850) square feet for a two Bedroom Unit;
- (D) one-thousand-fifty (1,050) square feet for a three Bedroom Unit; and
- (E) one-thousand, two-hundred-fifty (1,250) square feet for a four Bedroom Unit.

(4) Extended Affordability. (2 points) A pre-application may qualify for points under this item for Development Owners that are willing to extend the Affordability Period for a Development to a total of thirty-five (35) years.

(5) Unit and Development Features. A minimum of (7 points) must be selected, as certified in the pre-application, for providing specific amenity and quality features in every Unit at no extra charge to the tenant. The amenities and corresponding point structure is provided in §10.101(b)(6)(B) of this title (relating to Site and Development Requirements and Restrictions). The amenities selected at pre-application may change at Application so long as the overall point structure remains the same. The points selected at pre-application and/or Application and corresponding list of amenities will be required to be identified in the LURA and the points selected must be maintained throughout the ~~Extended Use Period~~ Affordability Period. Applications involving scattered site Developments must have a specific amenity located within each Unit to count for points. Rehabilitation Developments will start with a base score of (3 points).

(6) Common Amenities. All Developments must provide at least the minimum threshold of points for common amenities based on the total number of Units in the Development as provided in subparagraphs (A) - (F) of this paragraph. The common amenities include those listed in §10.101(b)(5) of this title and must meet the requirements as stated therein. The Owner may change, from time to time, the amenities offered; however, the overall points as selected at Application must remain the same. For Developments with 41 Units or more, at least two (2) of the required threshold points must come from the Green Building Features as identified in §10.101(b)(5)(C)(xxxi) of this title.

- (A) Developments with 16 to 40 Units must qualify for (4 points);
- (B) Developments with 41 to 76 Units must qualify for (7 points);
- (C) Developments with 77 to 99 Units must qualify for (10 points);
- (D) Developments with 100 to 149 Units must qualify for (14 points);
- (E) Developments with 150 to 199 Units must qualify for (18 points); or
- (F) Developments with 200 or more Units must qualify for (22 points).

(7) Tenant Supportive Services. (8 points) By electing points, the Applicant certifies that the Development will provide supportive services, which are listed in §10.101(b)(7) of this title, appropriate for the proposed

tenants and that there will be adequate space for the intended services. The provision and complete list of supportive services will be included in the LURA and must be maintained throughout the ~~Extended Use Period~~ Affordability Period. The Owner may change, from time to time, the services offered; however, the overall points as selected at Application must remain the same. The services provided should be those that will directly benefit the Target Population of the Development and accessible to all. No fees may be charged to the tenants for any of the services. Services must be provided on-site or transportation to those off-site services identified on the list must be provided. The same service may not be used for more than one scoring item. All services must be provided by a person on the premises.

(8) Underserved Area. An Application may qualify to receive up to (2 points) if the Development Site is located in an Underserved Area as further described in §11.9(c)(6)(A)-(EG) of this title.

(9) Development Support/Opposition. (Maximum +24 to -24 points) Each letter will receive a maximum of +3 to -3 and must be received ten (10) business days prior to the date of the Board meeting at which the pre-application will be considered. Letters must clearly state support or opposition to the specific Development. State Representatives or Senators as well as local elected officials to be considered are those in office at the time the pre-application is submitted and represent the district containing the proposed Development Site. Letters of support from State or local elected officials that do not represent the district containing the proposed Development Site will not qualify for points under this exhibit. Neutral letters, letters that do not specifically refer to the Development or do not explicitly state support will receive (zero (0) points). A letter that does not directly express support but expresses it indirectly by inference (i.e., a letter that says "the local jurisdiction supports the Development and I support the local jurisdiction") will be treated as a neutral letter.

(A) State Senator and State Representative of the districts whose boundaries include the proposed Development Site;

(B) Mayor of the municipality (if the Development is within a municipality or its extraterritorial jurisdiction);

(C) All elected members of the Governing Body of the municipality (if the Development is within a municipality or its extraterritorial jurisdiction);

(D) Presiding officer of the Governing Body of the county in which the Development Site is located;

(E) All elected members of the Governing Body of the county in which the Development Site is located;

(F) Superintendent of the school district in which the Development Site is located; and

(G) Presiding officer of the board of trustees of the school district in which the Development Site is located.

(10) Preservation Initiative. (10 points) Preservation Developments, including rehabilitation proposals on properties which are nearing expiration of an existing affordability requirement within the next two (2) years or for which there has been a rent restriction requirement in the past ten (10) years may qualify for points under this item. Evidence must be submitted in the pre-application.

(11) Declared Disaster Areas. (7 points) If at the time the complete pre-application is submitted or at any time within the two-year period preceding the date of submission, the proposed Development Site is located in an area declared to be a disaster area under Texas Government Code, §418.014.

§12.7. Full Application Process.

(a) Application Submission. Once the inducement resolution has been approved by the Board, an Applicant who elects to proceed with submitting a full Application to the Department must submit the complete tax

credit Application pursuant to §10.201 of this title (relating to Procedural Requirements for Application Submission).

(b) Eligibility Criteria. The Department will evaluate the Application for eligibility and threshold at the time of full Application pursuant to Chapter 10 of this title (relating to Uniform Multifamily Rules). If there are changes to the Application at any point prior to closing that have an adverse affect on the score and ranking order and that would have resulted in the pre-application being placed below another pre-application in the ranking, the Department will terminate the Application and withdraw the Certificate of Reservation from the Bond Review Board (with the exception of changes to deferred developer's fees and support or opposition points). The Development and the Applicant must satisfy the requirements set forth in Chapter 10 of this title (relating to Uniform Multifamily Rules) and Chapter 11 of this title (relating to Housing Tax Credit Program Qualified Allocation Plan) in addition to Texas Government Code, Chapter 1372, the applicable requirements of Texas Government Code, Chapter 2306, and the Code. The Applicant will also be required to select a Bond Trustee from the Department's approved list as published on its website.

(c) Bond Documents. Once the Application has been submitted and the Applicant has deposited funds to pay costs, the Department's bond counsel shall draft Bond documents.

(d) Public Hearings. For every Bond issuance, the Department will hold a public hearing in order to receive comments from the public pertaining to the Development and the issuance of the Bonds. The Applicant or member of the Development Team must be present at the public hearing and will be responsible for conducting a brief presentation on the proposed Development and providing handouts at the hearing that should contain at a minimum, a description of the Development, maximum rents and income restrictions. If the proposed Development is Rehabilitation then the presentation should include the proposed scope of work that is planned for the Development. All handouts must be submitted to the Department for review at least two (2) days prior to the public hearing. Publication of all notices required for the public hearing shall be at the sole expense of the Applicant, as well as any facility rental fees or required deposits.

(e) Approval of the Bonds. Subject to the timely receipt and approval of commitments for financing, an acceptable evaluation for eligibility, the satisfactory negotiation of Bond documents, and the completion of a public hearing, the Board, upon presentation by Department staff, will consider the approval of the final Bond resolution relating to the issuance, final Bond documents and in the instance of privately placed Bonds, the pricing, terms and interest rate of the Bonds. The process for appeals and grounds for appeals may be found under §1.7 of this title (relating to Staff Appeals Process) and §1.8 of this title (relating to Board Appeals Process). To the extent applicable to each specific Bond issuance, the Department's conduit multifamily Bond transactions will be processed in accordance with 34 TAC Part 9, Chapter 181, Subchapter A (relating to Bond Review Board Rules) and Texas Government Code, Chapter 1372.

(f) Local Permits. Prior to closing on the Bond financing, all necessary approvals, including building permits from local municipalities, counties, or other jurisdictions with authority over the Development Site must have been obtained or evidence that the permits are obtainable subject only to payment of certain fees must be submitted to the Department.

§12.8. Refunding Application Process.

(a) Application Submission. Owners who wish to refund or modify tax-exempt bonds that were previously issued by the Department must submit to the Department a summary of the proposed refunding plan or

modifications. To the extent such modifications constitute a re-issuance under state law the Applicant shall then be required to submit a refunding Application in the form prescribed by the Department pursuant to the Bond Refunding Application Procedures Manual.

(b) Bond Documents. Once the Department has received the refunding Application and the Applicant has deposited funds to pay costs, the Department's bond counsel will draft the required Bond documents.

(c) Public Hearings. Depending on the proposed modifications to existing Bond covenants a public hearing may be required. Such hearing must take place prior to obtaining Board approval and must meet the requirements pursuant to §12.7(d) of this chapter (relating to Full Application Process) regarding the presence of a member of the Development Team and providing a summary of proposed Development changes.

(d) Rule Applicability. Refunding Applications must meet the requirements pursuant to Chapter 10 of this title (relating to Uniform Multifamily Rules) and Chapter 11 of this title (relating to Housing Tax Credit Program Qualified Allocation Plan) with the exception of criteria stated therein specific to the Competitive Housing Tax Credit Program. At the time of the original award the Application would have been subject to eligibility and threshold requirements under the QAP in effect the year the Application was awarded. Therefore, it is anticipated the Refunding Application would not be subject to the site and development requirements and restrictions pursuant to §10.101 of this title (relating to Site and Development Requirements and Restrictions). The circumstances surrounding a refunding Application are unique to each Development; therefore, upon evaluation of the refunding Application, the Department is authorized to utilize its discretion in the applicability of the Department's rules as it deems appropriate.

§12.9. Regulatory and Land Use Restrictions.

(a) Filing and Term of Regulatory Agreement. A Bond Regulatory and Land Use Restriction Agreement will be filed in the property records of the county in which the Development is located for each Development financed from the proceeds of Bonds issued by the Department. The term of the Regulatory Agreement will be based on the criteria as described in paragraphs (1) - (3) of this subsection, as applicable:

- (1) the longer of thirty (30) years, from the date the Development Owner takes legal possession of the Development;
- (2) the end of the remaining term of the existing federal government assistance pursuant to Texas Government Code, §2306.185; or
- (3) the period required by the Code.

(b) Federal Set Aside Requirements.

- (1) Developments which are financed from the proceeds of Private Activity Bonds must be restricted under one of the two minimum set-asides as described in subparagraphs (A) and (B) of this paragraph:
 - (A) at least 20 percent of the Units within the Development shall be occupied or held vacant and available for occupancy at all times by persons or families whose income does not exceed 50 percent of the area median income; or

(B) at least 40 percent of the Units within the Development shall be occupied or held vacant and available for occupancy at all times by persons or families whose income does not exceed 60 percent of the area median income.

(2) The Development Owner must designate at the time of Application which of the two set-asides will apply to the Development and must also designate the selected priority for the Development in accordance with Texas Government Code, §1372.0321. Units intended to satisfy set-aside requirements must be distributed evenly throughout the Development, and must include a reasonably proportionate amount of each type of Unit available in the Development.

(3) No tenant qualifying under either of the set-asides shall be denied continued occupancy of a Unit in the Development because, after commencement of such occupancy, such tenant's income increases to exceed the qualifying limit; provided, however, that should a tenant's income, as of the most recent determination thereof, exceed 140 percent of the applicable income limit and such tenant constitutes a portion of the set-aside requirement of this section, then such tenant shall only continue to qualify for so long as no Unit of comparable or smaller size is rented to a tenant that does not qualify as a Low-Income Tenant.

§12.10. Fees.

(a) Pre-Application Fees. The Applicant is required to submit, at the time of pre-application, the following fees: \$1,000 (payable to TDHCA), \$2,500 (payable to the Department's bond counsel) and \$5,000 (payable to the Texas Bond Review Board (BRB) pursuant to Texas Government Code, §1372.006(a)). These fees cover the costs of pre-application review by the Department, its bond counsel and filing fees to the BRB.

(b) Application Fees. At the time of Application the Applicant is required to submit a tax credit application fee of \$30/unit and \$10,000 for the bond application fee (for multiple site Applications the application fee shall be \$10,000 or \$30/unit, whichever is greater). Such fees cover the costs associated with Application review and the Department's expenses in connection with providing financing for a Development. For Developments proposed to be structured as part of a portfolio such application fees may be reduced on a case by case basis at the discretion of the Executive Director.

(c) Closing Fees. The closing fee for Bonds, other than refunding Bonds is equal to 50 basis points (0.005) of the issued principal amount of the Bonds. The Applicant will also be required to pay at closing of the Bonds the first two years of the administration fee equal to 20 basis points (0.002) of the issued principal amount of the Bonds and a Bond compliance fee equal to \$25/unit (such compliance fee shall be applied to the third year following closing).

(d) Application and Issuance Fees for Refunding Applications. For refunding Applications the application fee will be \$10,000 unless the refunding is not required to have a public hearing, in which case the fee will be \$5,000. The closing fee for refunding Bonds is equal to 25 basis points (0.0025) of the issued principal amount of the refunding Bonds. If applicable, administration and compliance fees due at closing may be prorated based on the current billing period of such fees. If additional volume cap is being requested other fees may be required as further described in the Bond Refunding Applications Procedures Manual.

(e) Administration Fee. The annual administration fee is equal to 10 basis points (0.001) of the outstanding bond amount on its date of calculation and is paid as long as the Bonds are outstanding.

(f) Bond Compliance Fee. The Bond compliance monitoring fee is equal to \$25/Unit.

Preamble, Reasoned Response, and Repealed Rule

The Texas Department of Housing and Community Affairs (the “Department”) adopts the repeal of 10 TAC Chapter 12, §§12.1 - 12.10, concerning the 2015 Multifamily Housing Revenue Bond Rules, without changes to the proposed text as published in the October 30, 2015, of the *Texas Register* (40 TexReg 7547) and will not be republished.

REASONED JUSTIFICATION. The Department finds that the purpose of the repeal is to replace the sections and improve the Private Activity Bond Program. Accordingly, the repeal provides for consistency and minimizes repetition among the programs.

The Department accepted public comments between October 30, 2015, and November 30, 2015. Comments regarding the repealed were accepted in writing and by fax. No comments were received concerning the repeal.

The Board approved the final order adopting the repeal on December 17, 2015.

STATUTORY AUTHORITY. The repeal is adopted pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules.

§12.1.General.

§12.2.Definitions.

§12.3.Bond Rating and Investment Letter.

§12.4.Pre-Application Process and Evaluation.

§12.5.Pre-Application Threshold Requirements.

§12.6.Pre-Application Scoring Criteria.

§12.7.Full Application Process.

§12.8.Refunding Application Process.

§12.9.Regulatory and Land Use Restrictions.

§12.10.Fees.

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BOARD ACTION REQUEST

COMPLIANCE DIVISION

DECEMBER 17, 2015

Presentation, Discussion, and Possible Actions proposed: first, amendments to 10 TAC Chapter 10 Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.620 (concerning Monitoring for Non-Profit Participation or HUB Participation); second, the proposed repeal of §10.610 (concerning Tenant Selection Criteria) and §10.614 (concerning Utility Allowances); and, third, the proposed new §10.610 (concerning Written Policies and Procedures) and §10.614 (concerning Utility Allowances) and directing that these be published for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, at the Board meeting of December 18, 2014, new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.610 (concerning Tenant Selection Criteria) was approved and became effective January 8, 2015, and the Compliance Division has received feedback from owners and managers regarding the need for clarification by restructuring the rule; and,

WHEREAS, the HOME Final Rule, 24 CFR Part 92, requires the Department to determine utility allowances for the HOME program using the HUD Utility Model Schedule and for the long term monitoring of participation by Community Housing and Development Organizations (“CHDO”),

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them are hereby authorized, empowered, and directed, for and on behalf of the Department, to publish proposed amendments to 10 TAC Chapter 10 Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.620, (concerning Monitoring for Non-Profit Participation or HUB Participation), in the *Texas Register* for review and public comment and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing and

FURTHER RESOLVED, that the Executive Director and his designees be and each of them are hereby authorized, empowered, and directed, for and on behalf of the Department, to propose the repeal of 10 TAC Chapter 10 Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.610, (concerning Tenant Selection Criteria); and, §10.614, (concerning Utility Allowances), and the proposed new §10.610, (concerning Written Policies and Procedures); and, §10.614, (concerning Utility Allowances) in the *Texas Register* and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

BACKGROUND

In December 2014, the Board adopted new sections and amendments to the Compliance Monitoring Rules. Specifically, a new Tenant Selection Criteria rule (§10.610) was adopted. The intent of the new rule was to address the Department's ongoing responsibility and commitment to promote Fair Housing and provide Owners with specific guidance on compliance. The rule underwent a significant re-write and clarified requirements for which the Department began monitoring April 1, 2015. As with any re-write of this magnitude, staff, owners, and managers have identified some areas that need to be clarified. This can best be accomplished by restructuring the rule. So, although the rule may look different, the requirements are not changing significantly.

In addition, the Department has identified a need to revise the current Utility Allowance Rule (§10.614) to codify the requirements of 24 CFR Part 92, the HOME Final Rule, and to better address the Department's expectation for complying with federal program rules related to Utility Allowances.

A roundtable was held on November 13, 2015, to discuss these changes and to solicit feedback on these topics.

Attachment 1. Preamble and amendment to 10 TAC Chapter 10 Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.620, concerning Monitoring for Non-Profit Participation or HUB Participation

The Texas Department of Housing and Community Affairs (the “Department”) proposes amendments to 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, §10.620, concerning Monitoring for Non-Profit Participation or HUB Participation. The HOME Final Rule, 24 CFR Part 92, now requires the Department, as the Participating Jurisdiction, to monitor throughout the federal affordability period, to ensure that HOME Developments awarded funds from the Community Housing and Development Organization set aside on or after August 23, 2013, meet specific requirements. The rule is being amended to reflect that requirement.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the amended sections are in effect, enforcing or administering the amended sections do not have any foreseeable implications related to costs or revenues of the state or local governments.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the amended sections are in effect, the public benefit anticipated as a result of the amended sections will be improved compliance with federal and state requirements. There will not be any additional new economic cost to individuals required to comply.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES. The Department has determined that there will not be any additional economic effect on small or micro-businesses based on these amendments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held January 1, 2016, through February 1, 2016, to receive input on the proposed amendment. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Stephanie Naquin, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, or by fax to (512) 475-3359. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. FEBRUARY 1, 2016.

STATUTORY AUTHORITY. The amendments are proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules.

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

§10.620 Monitoring for Non-Profit Participation, [or] HUB, or CHDO Participation

(a) If a Development's LURA requires the material participation of a non-profit or Historically Underutilized Business (HUB), the Department will confirm whether this requirement is being met throughout the development phase and ongoing operations of the Development. Owners are required to maintain sufficient documentation to evidence that a non-profit or HUB so participating is in good standing with the Texas Comptroller of Public Accounts, Texas Secretary of State and/or IRS as applicable and that it is actually materially participating in a manner that meets the requirements of the IRS. Documentation may be reviewed during onsite visits or must be submitted to the Department upon request.

(b) If the HOME funds were awarded from the Community Housing and Development Organization (“CHDO”) set aside on or after August 23, 2013, the Department will monitor that the Development remains controlled by a CHDO throughout the federal affordability period.

(c) [(b)] If an Owner wishes to change the participating non-profit, [or] HUB, or CHDO prior written approval from the Department is necessary. In addition, the IRS will be notified if the non-profit is not materially participating on a HTC Development during the Compliance Period.

(d) [(c)] The Department does not enforce partnership agreements or other agreements between third parties or determine fund distributions of partnerships. These disputes are matters for a court of competent jurisdiction or other agreed resolution among the parties.

Attachment 2: Preamble and proposed repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.610, concerning Tenant Selection Criteria; and, §10.614, concerning Utility Allowances

The Texas Department of Housing and Community Affairs (the “Department”) proposes the repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.610, concerning Tenant Selection Criteria and §10.614, concerning Utility Allowances. This repeal is being proposed concurrently with the proposal of new §10.610, concerning Written Policies and Procedures and §10.614, concerning Utility Allowances which will improve compliance with new requirements related to the HOME program concerning utility allowances and federal Fair Housing requirements.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeal is in effect, there will be no change in the public benefit anticipated as a result of the repeal. There will be no economic impact to any individuals required to comply with the repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES. The Department has determined that there will be no economic effect on small or micro-businesses.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held January 1, 2016, through February 1, 2016, to receive input on the proposed amendment. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Stephanie Naquin, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, or by fax to (512) 475-3359. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. FEBRUARY 1, 2016.

STATUTORY AUTHORITY. The repeal is proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules.

The proposed repeal affects no other code, article, or statute.

§10.610 Tenant Selection Criteria

§10.614 Utility Allowances

Attachment 3. Preamble and proposed new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.610, concerning Written Policies and Procedures; and, §10.614, concerning Utility Allowances

The Texas Department of Housing and Community Affairs (the “Department”) proposes new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, §10.610, concerning Written Policies and Procedures and §10.614, concerning Utility Allowances.

10 TAC §10.610, concerning Written Policies and Procedures. The Board approved a new §10.610 concerning Tenant Selection Criteria at the meeting of December 2014. The purpose of the new section was to clarify and improve compliance requirements with federal Fair Housing laws. Now that the rule has been in effect for a year, the Department has received feedback that the way that the rule is currently structured could be improved. Through monitoring, the Department has noted difficulty in complying with the rule and, to better explain the expectations, the rule has been restructured. The rule is also being renamed to more accurately describe the requirements.

10 TAC §10.614, concerning Utility Allowance. The HOME Final Rule, 24 CFR Part 92, was updated in August of 2013. The rule introduced a new requirement for the Department, as the Participating Jurisdiction, to determine a development’s utility allowance using the HUD Utility Model Schedule. The Utility Allowance rule is being updated to codify this requirement and describe the process by which the Department will calculate the utility allowance annually. Further, the Department has identified a need for more detail in the rule to provide better guidance on how to properly calculate a utility allowance for all Department administered multifamily programs.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new sections are in effect, enforcing or administering the new sections does not have any foreseeable implications related to costs or revenues of the state or local governments.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new sections are in effect, the public benefit anticipated as a result of the new sections will be improved compliance with affordable housing program administered by the Department. There will not be any increased economic cost to any individuals required to comply with the new section.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES. The Department has determined that there will be no economic effect on small or micro-businesses.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held January 1, 2016, through February 1, 2016, to receive input on the proposed amendment. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Stephanie Naquin, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, or by fax to (512) 475-3359. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. FEBRUARY 1, 2016.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules.

The proposed new sections affect no other code, article, or statute

§10.610. Written Policies and Procedures

(a) The purpose of this section is to outline policies and/or procedures that are required to have written documentation.

(1) Owners must inform applicants/tenants in writing, at the time of application or other action described in this section, that such policies/procedures are available, and that the Owner will provide copies upon request to applicants/tenants or their representatives.

(2) The Owner must have all policies and related documentation required by this section available in the leasing office or wherever applications are taken.

(3) All policies must have an effective date. Any changes require a new effective date.

(4) In general, policies cannot be applied retroactively. Tenants who already reside in the development or applicants on the wait list at the time new or revised tenant selection criteria are applied and who are otherwise in good standing under the lease or wait list, must not receive notices of termination or non-renewal based solely on their failure to meet the new or revised tenant selection criteria or be passed over on the waitlist. However, criteria related to program eligibility may be applied retroactively when a market development receives a new award of tax credits, federal or state funds and a household is not eligible under the new program requirements, or when prior criteria violate federal or state law.

(b) **Tenant Selection Criteria.** Owners must maintain written Tenant Selection Criteria. The criteria under which an applicant was screened must be included in the household's file.

(1) The criteria must include:

(A) Requirements that determine an applicant's basic eligibility for the property, including any preferences, restrictions, and any other tenancy requirements. The tenant selection criteria must specifically list:

(i) The income and rent limits;

(ii) When applicable, restrictions on student occupancy and any exceptions to those restrictions; and,

(iii) Fees and/or deposits required as part of the application process.

(B) Applicant screening criteria, including what is screened and what scores or findings would result in ineligibility.

(i) The screening criteria must avoid the use of vague terms such as "elderly," "bad credit," "negative rental history," "poor housekeeping," or "criminal history" unless terms are clearly defined within the criteria made available to applicants.

(ii) Applicants must be provided the names of any third party screening companies upon request.

(C) Occupancy Standards. If fewer than 2 persons (over the age of 6) per bedroom for each rental unit are required for reasons other than those directed by local building code or safety regulations, a written justification must be provided.

(D) The following statements:

(i) The Development will comply with state and federal fair housing and antidiscrimination laws; including, but not limited to, consideration of reasonable accommodations requested to complete the application process. Chapter 1, Subchapter B of this title provides more detail about reasonable accommodations.

(ii) Screening criteria will be applied in a manner consistent with all applicable laws, including the Texas and Federal Fair Housing Acts, the Federal Fair Credit Reporting Act, program guidelines, and the Department's rules.

(iii) Specific animal, breed, number, weight restrictions, pet rules, and pet deposits will not apply to households having a qualified service/assistance animal(s).

(E) Notice to applicants and current residents about Violence Against Women Reauthorization Act of 2013 ("VAWA") protections.

(F) Specific age requirements if the Development is operating as Housing for Older Persons under the Housing for Older Persons Act of 1995 as amended (HOPA), or as required by federal funds to have an Elderly Preference, and in accordance with a LURA.

(2) The criteria must not:

(A) Include preferences for admission, unless such preference is:

- (i) Allowed for under program rules; or,
 - (ii) The property receives Federal assistance and has received written approval from HUD, USDA, or VA for such preference.
- (B) Exclude an individual or family from admission to the Development solely because the household participates in the HOME Tenant Based Rental Assistance Program, the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. §1-437), or other federal, state, or local government rental assistance program. The minimum income standard for households participating in a voucher program is limited to a monthly income of 2.5 times the household's share of the total monthly rent amount. However, if a household's share of the rent is \$50 or less, Owners may require a minimum annual income of \$2,500; or,
- (C) In accordance with VAWA, deny admission on the basis that the applicant has been a victim of domestic violence, dating violence, sexual assault, or stalking.

(c) **Reasonable Accommodations policy.** Owners must maintain a written Reasonable Accommodations policy. The policy must be maintained at the Development. Owners are responsible for ensuring that their employees and contracted third party management companies are aware of and comply with the reasonable accommodation policy.

(1) The policy must provide:

(A) Information on how an applicant or current resident with a disability may request a reasonable accommodation; and,

(B) A timeframe in which the Owner will respond to a request.

(2) The policy must not:

(A) Require a household to make a reasonable accommodation request in writing;

(B) Require a household to provide specific medical or disability information other than the disability verification that may be requested to verify eligibility for reasonable accommodation or special needs set aside program;

(C) Exclude a household with person(s) with disabilities from admission to the Development because an accessible unit is not currently available; or,

(D) Require a household to rent a unit that has already been made accessible.

(d) **Wait List policy.** Owners must maintain a written wait list policy, regardless of current unit availability. The policy must be maintained at the Development.

(1) The policy must include procedures the Development uses in:

(A) Opening, closing, and selecting applicants from the waitlist;

(B) How preferences are applied; and,

(C) Procedures for prioritizing applicants needing accessible units in accordance with 24 CFR 8.27 and Chapter 1, Subchapter B of this title.

(2) Developments with additional rent and occupancy restrictions must maintain a waiting list for their lower rent restricted units. Unless otherwise approved at application, underwriting and cost certification, all unit sizes must be available at the lower rent limits. The wait list policy for Developments with lower rent restricted units must address how the waiting list for their lower rent restricted units will be managed. The policy must not give a preference to prospective applicants over existing households. However, a Development may, but is not required to, prioritize existing households over prospective applicants.

(e) **Denied Application policies.** Owners must maintain a written policy regarding procedures for denying applications.

(1) The policy must address the manner by which rejections of applications will be handled, including timeframes and appeal procedures, if any.

(2) Within seven (7) days after the determination is made to deny an application, the owner must provide any rejected or ineligible applicant that completed the application process a written notification of the grounds for rejection. The written notification must include:

(A) The specific reason for the denial and reference the specific leasing criteria upon which the denial is based; and,

(B) Contact information for any third parties that provided the information on which the rejection was based and information on the appeals process, if one is used by the property.

(3) The Development must keep a log of all denied applicants that completed the application process to include:

(A) Basic household demographic and rental assistance information, if requested during any part of the application process;

(B) The specific reason for which an applicant was denied, the date the decision was made; and,

(C) The date the denial notice was mailed or hand-delivered to the applicant.

(4) A file of all rejected applications must be maintained the length of time specified in the applicable program's recordkeeping requirements and include:

(A) A copy of the written notice of denial; and,

(B) The Tenant Selection Criteria policy under which an applicant was screened.

(f) **Non-renewal and/or Termination Notices.** Owners must maintain a written policy regarding procedures for providing households non-renewal and termination notices.

(1) The owner must provide in any non-renewal or termination notice, a specific reason for the termination or non-renewal.

(2) The notification must:

(A) Be delivered as required under applicable program rules;

(B) Include information on rights under VAWA;

(C) State how a person with a disability may request a reasonable accommodation in relation to such notice; and,

(D) Include information on the appeals process if one is used by the property.

(g) **Unit transfer policies.** Owners must maintain a written policy regarding procedures for households to request a unit transfer. The policy must address the following:

(1) How security deposits will be handled for both the current unit and the new unit;

(2) How transfers related to a reasonable accommodation will be addressed; and,

(3) For HTC Developments, how transfers will be handled with regard to the multiple building project election on IRS Form(s) 8609 line 8(b) and accompanying statements in accordance with §10.616 of this subchapter, concerning Household Unit Transfer Requirements for All Programs.

§10.614. Utility Allowances

(a) Purpose. The purpose of this section is to provide the guidelines for calculating a utility allowance under the Department's multifamily programs. The Department will cite noncompliance and/or not approve a utility allowance if it is not calculated in accordance with this section. Owners are expected to comply with the provisions of this section, as well as, any existing federal or state program guidance.

(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Building Type. The HUD Office of Public and Indian Housing ("PIH") characterizes building and unit configurations for HUD programs. The Department will defer to the guidance provided by HUD found at: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11608.pdf (or successor Uniform Resource Locator ("URL")) when making determinations regarding the appropriate building type(s) at a Development.

(2) Power to Choose. The Public Utility Commission of Texas database of retail electric providers in the areas of the state where the sale of electricity is open to retail competition <http://www.powertochoose.org/> (or successor URL). In areas of the state where electric service is deregulated, the Department will verify the availability of residential service. If the utility company is not listed as a provider of residential service in the Development's ZIP code for an area that is deregulated, the request will not be approved

(3) Component Charges. The actual cost associated with the billing of a residential utility. Each Utility Provider may publish specific utility service information in varying formats depending on the service area. Such costs include, but are not limited to:

- (i) Rate(s). The cost for the actual unit of measure for the utility (e.g. cost per kilowatt hour for electricity);
- (ii) Fees. The cost associated with a residential utility that is incurred regardless of the amount of the utility the household consumes (e.g. Customer Charge); and,
- (iii) Taxes. Taxes for electricity and gas are regulated by the Texas Comptroller of Public Accountants and can be found <http://comptroller.texas.gov/> (or successor URL). Local Utility Providers have control of the tax structure related to water, sewer and trash. To identify if taxes are imposed for these utilities, obtain records directly from the Utility Provider.

(5) Utility Allowance. An estimate of the expected monthly cost of any utility for which a resident is financially responsible, other than telephone, cable television, or internet

(A) For HTC, TCAP (including TCAP RF), and Exchange buildings, include:

- (i) Utilities paid by the resident directly to the Utility Provider; and,
- (ii) Utilities paid by the resident directly to the Owner of the building or to a third party billing company if the bill is based on their actual consumption of the utility and not an allocation method or Ratio Utility Billing System ("RUBS").

(B) For HOME, Bond, HTF, and NSP Developments, unless otherwise prescribed in the program's Regulatory Agreement, include all utilities regardless of how they are paid.

(6) Utility Provider. The company that provides residential utility service (e.g. electric, gas, water, waste water, and/or trash) to the buildings.

(c) Methods. The following options are available to establish a utility allowance for all programs except Developments funded with HOME and NSP funds.

(1) Rural Housing Services (RHS) buildings or buildings with RHS assisted tenants. The applicable utility allowance for the Development will be determined under the method prescribed by the RHS (or successor agency). No other utility method described in this section can be used by RHS buildings or buildings with RHS assisted tenants.

(2) HUD-Regulated buildings layered with any Department program. If neither the building nor any tenant in the building receives RHS rental assistance payments, and the rents and the utility allowances of the building are reviewed by HUD (HUD-regulated building), the applicable utility allowance for all rent restricted Units in the building is the applicable HUD utility allowance. No other utility method described in this section can be used by HUD-regulated buildings. Unless further guidance is received from the U.S. Department of Treasury or the Internal Revenue Service ("IRS"), the Department considers Developments awarded HOME funds by the Department to be HUD-Regulated buildings.

(3) Other Buildings. For all other rent-restricted Units, Development Owners must use one of the methods described in subparagraphs (A) - (E) of this paragraph:

(A) Public Housing Authority ("PHA"). The utility allowance established by the applicable PHA for the Section 8 Existing Housing Program. The Department will utilize Texas Local Government Code, Chapter 392 to determine which PHA is the most applicable to the Development.

(i) If the PHA publishes different schedules based on Building Type, the Owner is responsible for implementing the correct schedule based on the Development's Building Type(s). Example 614(1): The applicable PHA publishes a separate utility allowance schedule for Apartments (5+ units), one for Duplex/Townhomes and another for Single Family Homes. The Development consist of twenty buildings, ten of which are Apartments (5+ units) and the other ten buildings are Duplexes. The Owner must use the correct schedule for each Building Type.

(ii) In the event the PHA publishes a utility allowance schedule specifically for energy efficient units, and the Owner desires to use such a schedule, the Owner must demonstrate that the building(s) meet the housing authority's specifications for energy efficiency once every five (5) years.

(iii) If the applicable PHA allowance lists flat fees for any utility, those flat fees must be included in the calculation of the utility allowance if the resident is responsible for that utility.

(iv) If the individual components of a utility allowance are not in whole number format, the correct way to calculate the total allowance is to add each amount and then round the total up to the next whole dollar. Example 614(2): Electric cooking is \$8.63, Electric Heating is \$5.27, Other Electric is \$24.39, Water and Sewer is \$15. The utility allowance in this example is \$54.00.

(v) If an Owner chooses to implement a methodology as described in subparagraph (B), (C), (D), or (E) of this paragraph, for Units occupied by Section 8 voucher holders, the utility allowance remains the applicable PHA utility allowance established by the PHA from which the household's voucher is received.

(vi) In general, if the Development is located in an area that does not have a municipal, county, or regional housing authority that publishes a utility allowance schedule for the Section 8 Existing Housing Program, Owners must select an alternative methodology. In the event the Development is located in an area without a clear municipal or county housing authority the Department may permit the use of another housing authority's utility allowance schedule on a case by case basis, unless other conflicting guidance is received from the IRS or HUD. It is the sole responsibility of the Owner to provide the Department with specific rationale to support the request. Prior approval from the Department is required and the owner must obtain approval on an annual basis.

(B) Written Local Estimate. The estimate must come from the local Utility Provider, be signed by the Utility Provider representative, and specifically include all Component Charges for providing the utility service.

(C) HUD Utility Schedule Model. The HUD Utility Schedule Model and related resources can be found at <http://www.huduser.gov/portal/resources/utilallowance.html> (or successor URL). Each item on the schedule must be displayed out two decimal places. The total allowance must be rounded up to the next whole dollar amount. The Component Charges used can be no older than those in effect sixty (60) days prior to the beginning of the ninety (90) day period described in subsection (e) of this section.

(i) The allowance must be calculated using the MS Excel version available at <http://www.huduser.org/portal/resources/utlmodel.html> (or successor URL), as updated from time to time, with no changes or adjustments made other than entry of the required information needed to complete the model.

(ii) In the event that the PHA code for the local PHA to the Development is not listed in "Location" tab of the workbook, the Department will use the PHA code for the PHA that is closest in distance to the Development using online mapping tools (e.g. MapQuest).

(iii) Green Discount. If the Owner elects any of the Green Discount options for a Development, documentation to evidence that the units and the buildings meet the Green Discount standard as prescribed in the model is required for the initial approval and every subsequent annual review. In the event the allowance is being calculated for an application of Department funding (e.g. 9% Housing Tax Credits), upon request, the Department will provide both the Green Discount and the non-Green Discount results for application purposes; however, to utilize the Green Discount allowance for leasing activities, the Owner must evidence that the units and buildings have met the Green Discount elected when the request is submitted as required in subsection (k) of this section.

(iv) Do not take into consideration any costs (e.g. penalty) or credits that a consumer would incur because of their actual usage. Example 614(3) The Electric Fact Label for ABC Electric Utility Provider provides a Credit Line of \$40 per billing cycle that is applied to the bill when the usage is greater than 999 kWh and less than 2000 kWh. Example 614(4) A monthly minimum usage fee of \$9.95 is applied when the usage is less than 1000 kWh in the billing cycle. When calculating the allowance, disregard these types costs or credits.

(D) Energy Consumption Model. The model must be calculated by a properly licensed mechanical engineer or an individual holding a valid Residential Energy Service Network (RESNET) or Certified Energy Manager (CEM) certification. The individual must not be related to the Owner within the meaning of §267(b) or §707(b) of the Code. The utility consumption estimate must, at minimum, take into consideration specific factors that include, but are not limited to, Unit size, building type and orientation, design and materials, mechanical systems, appliances, and characteristics of building location. Use of the Energy Consumption Model is limited to the building's consumption data for the twelve (12) month period ending no earlier than sixty (60) days prior to the beginning of the ninety (90) day period and Component Charges used must be no older than in effect sixty (60) days prior to the beginning of the ninety (90) day period described in subsection (e) of this section. In the case of a newly constructed or renovated building with less than twelve (12) months of consumption data, the qualified professional may use consumption data for the twelve (12) month period from units of similar size and construction in the geographic area in which the building containing the units is located; and,

(E) An allowance based upon an average of the actual use of similarly constructed and sized Units in the building using actual utility usage data and Component Charges, provided that the Development Owner has the written permission of the Department. This methodology is referred to as the "Actual Use Method." For a Development Owner to use the Actual Use Method they must:

(i) Provide a minimum sample size of usage data for at least 5 Continuously Occupied Units of each Unit Type or 20 percent of each Unit Type whichever is greater. Example 614(5): A Development has 20 three bedroom/one bath Units, and 80 three bedroom/two bath Units. Each bedroom/bathroom equivalent Unit is within 120 square feet of the same floor area. Data must be supplied for at least five of the three bedroom/one bath Units, and sixteen of the three bedroom/two bath Units. If there are less than five Units of any Unit Type, data for 100 percent of the Unit Type must be provided;

(ii) Upload the information in subclause (I) - (IV) of this clause to the Development's CMTS account no later than the beginning of the ninety (90) day period after which the Owner intends to implement the allowance, reflecting data no older than sixty (60) days prior to the ninety (90) day implementation period described in subsection (e) of this section. Example 614(6): The Utility Provider releases the information regarding electric usage at Westover Townhomes on February 5, 2015. The data provided is from February 1, 2015, through January 31, 2015. The Owner must submit the information to the Department no later than March 31, 2015, for the information to be valid;

(I) An Excel spreadsheet listing each Unit for which data was obtained to meet the minimum sample size requirement of a Unit Type, the number of bedrooms, bathrooms and square footage for each Unit, the household's move-in date, the utility usage (e.g. actual kilowatt usage for electricity) for each month of the twelve (12) month period for each Unit for which data was obtained, and the Component Charges in place at the time of the submission;

(II) All documentation obtained from the Utility Provider (or billing entity for the utility provider) and/or copies of actual utility bills gathered from the residents, including all usage data not needed to meet the minimum sample size requirement and any written correspondence from the utility provider;

(III) The rent roll showing occupancy as of the end of the month for the month in which the data was requested from the utility provider; and

(IV) Documentation of the current utility allowance used by the Development.

(iii) Upon receipt of the required information, the Department will determine if the Development Owner has provided the minimum information necessary to calculate an allowance using the Actual Use Method. If so, the Department shall calculate the utility allowance for each bedroom size using the guidelines described in subclause (I) - (V) of this clause;

(I) If data is obtained for more than the sample requirement for the Unit Type, all data will be used to calculate the allowance;

(II) If more than twelve (12) months of data is provided for any Unit, only the data for the most current twelve (12) months will be averaged;

(III) The allowance will be calculated by multiplying the average units of measure for the applicable utility (i.e., kilowatts over the last twelve (12) months by the current rate) for all Unit Types within that bedroom size. For example, if sufficient data is supplied for 18 two bedroom/one bath Units, and 12 two bedroom/two bath Units, the data for all 30 Units will be averaged to calculate the allowance for all two bedroom Units;

(IV) The allowance will be rounded up to the next whole dollar amount. If allowances are calculated for different utilities, each utility's allowance will be rounded up to the next whole dollar amount and then added together for the total allowance; and

(V) If the data submitted indicates zero usage for any month, the data for that Unit will not be used to calculate the Utility Allowance.

(iv) The Department will complete its evaluation and calculation within forty-five (45) days of receipt of all the information requested in clause (ii) of this subparagraph;

(d) Acceptable Documentation. For the Methods where utility specific information is required to calculate the allowance (e.g. base charges, cost per unit of measure, taxes, etc..) Owners should obtain documentation directly from the Utility Provider and/or Regulating State Agency. Any Component Charges related to the utility that are published by the Utility Provider and/or Regulating State Agency must be included. In the case where a utility is billed to the Owner of the building(s) and the Owner is disbursing the bill to the tenant through a third party billing company, the Component Charges published by the Utility Provider and not the third party billing company will be used.

(e) Changes in the Utility Allowance. An Owner may not change utility allowance methods, start or stop charging residents for a utility without prior written approval from the Department. Example 614(7): A Housing Tax Credit Development has been paying for water and sewer since the beginning of the Compliance Period. In year 8, the Owner decides to require residents to pay for water and sewer. Prior written approval from the Department is required. Any such request must include the Utility Allowance Questionnaire found on the Department's website and supporting documentation.

(1) The Department will review all request, with the exception of the methodology prescribed in subsection (c)(3)(E) (concerning the Actual Use Method), within 90 days of the receipt of the request. For a review involving a utility allowance for an application from funding from the Department, the request will not be reviewed until the program area notifies the compliance division that the application is being considered for funding.

(2) If the Owner fails to post the notice to the residents and simultaneously submit the request to the Department by the beginning of the 90 day period, the Department's approval or denial will be delayed for up to 90 days after Department notification. Example 614(8): The Owner has chosen to calculate the electric portion of the utility allowance using the written local estimate. The annual letter is dated July 5, 2014, and the notice to the residents was posted in the leasing office on July 5, 2014. However, the Owner failed to submit the request to the Department for review until September 15, 2014. Although the Notice to the Residents was dated the date of the letter from the utility provider, the Department was not provided the full 90 days for review. As a result, the allowance cannot be implemented by the owner until approved by the Department.

(3) Effective dates. If the Owner uses the methodologies as described in subsection (c)(1), (2) or (3)(A) of this section, any changes to the allowance can be implemented immediately, but must be implemented for rent due at least ninety (90) days after the change. For methodologies as described in subsection (c)(3)(B) - (E) of this section, the allowance cannot be implemented until the estimate is submitted to the Department and is made available to the residents by posting in a common area of the leasing office at the Development. This action must be taken by the beginning of the ninety (90) day period in which the Owner intends to implement the utility allowance. Nothing in this section prohibits an Owner from reducing a resident's rent prior to the end of the 90 day period when the proposed allowance would result in a gross rent issue.

Method	Beginning of 90 Day Notification Period
Written Local Estimate	Date of letter from the Utility Provider
HUD Utility Schedule Model	Date entered as "Form Date"
Energy Consumption Model	60 days after the end of the last month of the 12 month period for which data was used to compute the estimate
Actual Use Method	Date the allowance is approved by the Department

(f) Requirements for Annual Review.

(1) RHS and HUD-Regulated Buildings. Owners must demonstrate that the utility allowance has been reviewed in accordance with the RHS or HUD regulations.

(2) Buildings using the PHA Allowance. Owners are responsible for periodically determining if the applicable PHA released an updated schedule to ensure timely implementation. When the allowance changes or a new allowance is made available by the PHA, it can be implemented immediately, but must be implemented for rent due ninety (90) days after the change.

(3) Written Local Estimate, HUD Utility Model Schedule and Energy Consumption Model. Owners must update the allowance once a calendar year. The update and all back up documentation required by the method must be submitted to the Department no later than October 1st of each year. However, Owners are encouraged to submit prior to the deadline to ensure the Department has time to review. At the same time the request is submitted to the Department, the Owner must post, at the Development, the utility allowance estimate in a common area of the leasing office where such notice is unobstructed and visible in plain sight. The Department will review the request for compliance with all applicable requirements and reasonableness. If, in comparison to other approved utility allowances for properties of similar size, construction and population in the same geographic area, the allowance does not appear reasonable or appears understated, the Department may require additional support and/or deny the request.

(5) Actual Use Method. Owners must update the allowance once a calendar year. The update and all back up documentation required by the method must be submitted to the Department no later than August 1st of each year. However, Owners are encouraged to submit prior to the deadline to ensure the Department has time to review.

(g) Unless conflicting guidance is received from HUD, in accordance with 24 CFR §92.252, for HOME and NSP funds for which the Department is the participating jurisdiction, the utility allowance will be established in the following manner:

(1) By April 30th, the Department will calculate the utility allowance for each HOME and NSP Development using HUD Utility Schedule Model. For property specific data, the Department will use:

(A) The information submitted in the Annual Owner's Compliance Report;

(B) Entrance Interview Questionnaires submitted with prior onsite reviews; or,

(C) The owner may be contacted and asked to complete the Utility Allowance Questionnaire. In such case, a five (5) day period will be provided to return the completed questionnaire.

(2) Utilities will be evaluated in the following manner:

(A) For regulated utilities, the Department will contact the Utility Provider directly and apply the Component Charges in effect no later than 60 days before the allowance will be effective.

(B) For deregulated utilities:

(i) The Department will use the Power to Choose website and search available Utility Providers by zip code;

(ii) The plan chosen will be the median cost per kWh based on average price per kWh for the average monthly use of 1000 kWh of all available plans; and,

(ii) The actual Component Charges from the plan chosen in effect no later than 60 days before the allowance will be effective will be inputted into the Model.

(3) The Department will notify the Owner contact in CMTS of the new allowance and provide the backup for how the allowance was calculated. The owner will be provided a five (5) day period to review the Department's calculation and note any errors. Only errors related to the physical characteristics of the building(s) and utilities paid by the tenants will be reconsidered; the utility plan and Utility Provider selected by the Department and Component Charges used in calculating the allowance will not be changed. During this five (5) day period, the owner also has the opportunity to submit documentation and request use of any of the available Green Discounts.

(4) Once approved, the allowance must be implemented for rent due in all program units thirty (30) days after written approval from the Department is received.

(5) Unless further guidance is received from Treasury or the IRS, HTC Buildings in which there are HOME or NSP units must use the HUD Model Schedule for all rent restricted units (with the exception of unit occupied by households that received rental assistance in which case the allowance is established by the program from where the household receives the assistance).

(h) For owners participating in the Department's Section 811 Project Rental Assistance ("PRA") Program, the utility allowance is the allowance established in accordance with this section related to the other multifamily program(s) at the Development. Example 614(9) ABC Apartments is an existing HTC Development now participating in the PRA Program. The residents pay for electricity and the Owner is using the PHA method to calculate the utility allowance for the HTC Program. The appropriate utility allowance for the PRA Program is the PHA method.

(i) Combining Methods. With the exception of HUD regulated buildings and RHS buildings, Owners may combine any methodology described in this section for each utility service type paid directly by the resident and not by or through the Owner of the building (electric, gas, etc.). For example, if residents are responsible for electricity and gas, an Owner may use the appropriate PHA allowance to determine the gas portion of the allowance and use the Actual Use Method to determine the electric portion of the allowance.

(j) The Owner shall maintain and make available for inspection by the tenant all documentation, including, but not limited to, the data, underlying assumptions and methodology that was used to calculate the allowance. Records shall be made available at the resident manager's office during reasonable business hours or, if there is no resident manager, at the dwelling Unit of the tenant at the convenience of both the Owner and tenant.

(k) If Owners want to utilize the HUD Utility Schedule Model, the Written Local Estimate or the Energy Consumption Model to establish the initial utility allowance for the Development, the Owner must submit utility allowance documentation for Department approval, at minimum, 90 days prior to the commencement of leasing activities. This subsection does not preclude an Owner from changing to one of these methods after commencement of leasing.

(l) The Department reserves the right to outsource to a third party the review and approval of all or any utility allowance requests to use the Energy Consumption Model or when review requires the use of expertise outside the resources of the Department. In accordance with Treasury Regulation §1.42-10(c) any costs associated with the review and approval shall be paid by the Owner.

(m) All requests described in this subsection must be complete and uploaded directly to the Development's CMTS account using the "Utility Allowance Documents" in the type field. The Department will not be able to approve requests that are incomplete and/or are not submitted correctly.

1u

BOARD ACTION REQUEST

BOND FINANCE DIVISION

DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Resolution 16-008 authorizing the form and substance of amendments to the Single Family Mortgage Revenue Bond Trust Indenture; authorizing the execution of the Sixty-Second Supplemental Single Family Mortgage Revenue Bond Trust Indenture and other documents and instruments relating to the foregoing; making certain findings and determinations in connection therewith; and containing other provisions relating to the subject.

RECOMMENDED ACTION

See attached resolution.

BACKGROUND

The Texas Department of Housing and Community Affairs (the "Department") has three indentures through which the Department has issued single family mortgage revenue bonds. Two of the indentures are active, while one is being phased out. The active indentures are the Single Family Mortgage Revenue Bond indenture (the "SFMRB Indenture") and the Residential Mortgage Revenue Bonds indenture. The indenture being phased out is the Collateralized Home Mortgage Revenue Bond indenture, with less than \$3 million in bonds outstanding.

The SFMRB Indenture was created in 1980, has been used for the issuance of over \$1.3 billion in Department single family mortgage revenue bonds, and has been supplemented 59 times, most recently to accomplish the issuance of the Department's 2015 Series A and Series B Bonds. This item proposes amending and supplementing the SFMRB Indenture through the adoption of Resolution 16-008 and the execution of the Sixty-Second Supplemental Single Family Mortgage Revenue Bond Trust Indenture.

Staff has worked with the Department's Bond Counsel, Financial Advisor, and Underwriters to identify amendments to the SFMRB Indenture to facilitate bond structures considered mainstream in single family housing. Such changes will result in efficiencies that should expand the potential buyers of the Department's single family mortgage revenue bonds and potentially lower the Department's borrowing cost.

While the amendments include some clean-up items, they primarily establish that issue-related specifics (such as interest payment dates, maturity dates, redemption dates, and notice requirements, etc.) be detailed in the supplemental indenture for each bond series at the time of issuance. For example, currently the SFMRB Indenture requires that all bonds pay interest on March 1 and September 1, eliminating the possibility of monthly pay bonds. With the amendment, the supplemental indenture for a new issue of bonds will detail the specifics of that issue, allowing for monthly pay bonds or other structure variations not currently possible.

The amendments may require the consent of various related parties such as the Comptroller of Public Accounts of the State of Texas, as provider of the liquidity facilities related to variable rate bonds in the SFMRB Indenture. Staff will work with Bond Counsel to obtain the necessary consents.

The amendments will become effective after the Department has received (1) written confirmation from the rating agencies that its adoption will not adversely impact the ratings on the SFMRB Indenture, (2) an opinion from Bond Counsel that adoption of the amendment is valid and binding upon the Department, and (3) written consent of at least two-thirds of the holders of bonds outstanding under the SFMRB Indenture.

RESOLUTION NO. 16-008

RESOLUTION AUTHORIZING THE FORM AND SUBSTANCE OF AMENDMENTS TO THE SINGLE FAMILY MORTGAGE REVENUE BOND TRUST INDENTURE; AUTHORIZING THE EXECUTION OF THE SIXTY-SECOND SUPPLEMENTAL SINGLE FAMILY MORTGAGE REVENUE BOND TRUST INDENTURE AND OTHER 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; (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 Single Family Mortgage Revenue Bonds pursuant to the Single Family Mortgage Revenue Bond Trust Indenture dated as of October 1, 1980, as amended and supplemented, (the "Single Family 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 Department's single family mortgage revenue bond program; and

WHEREAS, the Department desires to authorize the execution and delivery of the Sixty-Second Supplemental Single Family Mortgage Revenue Bond Trust Indenture (the "Sixty-Second Supplemental Indenture") in substantially the form attached hereto, containing certain amendments to the Single Family Indenture, such Sixty-Second Supplemental Indenture to take effect upon receipt of the written consent of the holders of at least two-thirds in principal amount of the outstanding bonds issued under the Single Family Indenture at the time such consent is given and upon satisfaction of the other conditions set forth in the Single Family Indenture and the Sixty-Second Supplemental Indenture; 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 1

APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1 Approval, Execution and Delivery of the Sixty-Second Supplemental Indenture. The form and substance of the Sixty-Second Supplemental Indenture are hereby authorized and approved and the Authorized Representatives of the Department named in the Resolution are each hereby authorized to execute,

attest and affix the Department's seal to the Sixty-Second Supplemental Indenture and to deliver the Sixty-Second Supplemental Trust Indenture to the Trustee.

Section 1.2 Execution and Delivery of Other Documents. The Authorized Representatives 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 and the Sixty-Second Supplemental Indenture.

Section 1.3 Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the Authorized Representatives are each hereby authorized to make or approve such revisions in the form of the Sixty-Second Supplemental Indenture as, 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 Sixty-Second Supplemental Indenture by the Authorized Representatives.

Section 1.4 Exhibit Incorporated Herein. That all of the terms and provisions of the document listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit A - Sixty-Second Supplemental Indenture

Section 1.5 Authorized Representatives. The following persons and each of them are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Governing Board, the Executive Director of the Department, the Chief Financial Officer of the Department, the Director of Bond Finance of the Department, the Director of Texas Homeownership of the Department, the Director of Multifamily Finance of the Department, and the Secretary or any Assistant Secretary to the Governing Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Persons is authorized to act individually as set forth in this Resolution.

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 Sixty-Second Supplemental Indenture are hereby ratified and confirmed.

ARTICLE 2

GENERAL PROVISIONS

Section 2.1 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Governing Board.

Section 2.2 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 17th day of December, 2015.

Chair, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

1v

BOARD ACTION REQUEST

BOND FINANCE DIVISION

DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Resolution 16-009 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board (the "BRB") with respect to qualified mortgage bonds.

RECOMMENDED ACTION

See attached resolution.

BACKGROUND

The Texas Department of Housing and Community Affairs (the "Department") wishes to submit an application to the BRB to draw down private activity bond authority, also known as "volume cap." Bond Finance is requesting authorization to apply for an amount not-to-exceed \$50 million in single family private activity bond authority to be used for Single Family Mortgage Revenue Bonds, 2016 Series A, and Single Family Mortgage Revenue Refunding Bonds, 2016 Series B. The Board approved the issuance, sale and delivery of these bonds on November 12, 2015. This issuance has been delayed, resulting in the change of series designation from 2015 Series C and Series D to 2016 Series A and Series B. This transaction is expected to price in January 2016 and to close in February 2016.

RESOLUTION NO. 16-009

RESOLUTION AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR RESERVATION WITH THE TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences will be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the State ceiling for qualified mortgage bonds (the "Reservation") and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (the "Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "Allocation Rules") require that the Application for Reservation be accompanied by a certified copy of the resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Governing Board has determined to authorize the filing of one or more Applications for Reservation in the maximum aggregate amount of \$50,000,000 with respect to qualified mortgage bonds;

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

ARTICLE 1

APPROVAL OF CERTAIN ACTIONS

Section 1.1 Application for Reservation. The Governing Board hereby authorizes Bracewell & Giuliani LLP, as Bond Counsel to the Department, to file on its behalf with the Bond Review Board one or more Applications for Reservation in the maximum aggregate amount of \$50,000,000 with respect to qualified mortgage bonds, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of one or more Reservations.

Section 1.2 Authorized Representatives. The following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Governing Board, the Executive Director of the Department, the Director of Bond Finance of the Department, the Director of Texas Homeownership of the Department, the Director of Multifamily Finance of the Department, and the Secretary or any Assistant Secretary to the Governing Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

GENERAL PROVISIONS

Section 2.1 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Governing Board.

Section 2.2 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

[Execution page follows]

PASSED AND APPROVED this 17th day of December, 2015.

Chair, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

2a

TDHCA Outreach Activities, November 2015

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

Event	Location	Date	Division	Purpose
State Community Resource Coordination Group: Data/ Research Subcommittee	Austin	Nov 3	Housing Resource Center	Participant
First Thursday Income Eligibility Training	Austin	Nov 5	Compliance	Training
TAA/Housing Tax Credit Training	San Antonio	Nov 10	Compliance	Training
Roundtable/Compliance Rules	Austin	Nov 13	Compliance	Roundtable Hearing
TAA/Housing Tax Credit Training	McAllen	Nov 12	Compliance	Training
HUD/Community Development Directors Meeting	Fort Worth	Nov 13	Fair Housing, Data Mgt & Reporting; Single Family Operations	Participant
Public Hearing/Draft 2016 State of Texas Consolidated Plan: One-Year Action Plan	Austin	Nov 16	Housing Resource Center	Public Hearing
Dallas Fed Loan/Intent vs. Impact: Evaluating Individual- and Community-Based Programs	Dallas	Nov 16-17	Fair Housing, Data Mgt & Reporting	Participant
TAA/ Income Eligibility Training	Houston	Nov 18	Compliance	Training
TAA/Housing Tax Credit Training	Houston	Nov 19	Compliance	Training

Internet Postings of Note, November 2015

A list of new or noteworthy documents posted to the Department's website

RFA: Community Services Block Grant and Comprehensive Energy Assistance Program Funds — seeking qualified entities interested in administering CSBG and CEAP funds in seven Northeast Texas counties:
www.tdhca.state.tx.us/community-affairs/announcements.htm

2015 Comprehensive Energy Assistance Program Subrecipient List — updated list of and contact information for entities currently administering CEAP funds under this program:
www.tdhca.state.tx.us/community-affairs/ceap/index.htm

LIHEAP/DOE Weatherization Assistance Program Timelines — listing reporting and other key submission dates for both funding sources for the Department's WAP:
www.tdhca.state.tx.us/community-affairs/wap/guidance.htm

Amy Young Barrier Removal Program Reservation System — detailing funds through the AYBR Program's reservation system available through January 11, 2016, by urban, rural, and total amounts:
www.tdhca.state.tx.us/hft/single-family/amy-young.htm

2015 Community Services Block Grant Discretionary Funds: Notice of Funding Availability II — notice of funding availability for qualifying entities seeking to administer CSBG Discretionary funding:
www.tdhca.state.tx.us/community-affairs/nofas.htm

Community Affairs: 2015 Income Calculator — *provided to assist entities administering funds through the Community Services Block Grant, Comprehensive Energy Assistance, and Weatherization Assistance programs respond to applicable program questions:*

www.tdhca.state.tx.us/community-affairs/csbg/guidance.htm; www.tdhca.state.tx.us/community-affairs/ceap/guidance.htm; www.tdhca.state.tx.us/community-affairs/wap/guidance.htm

HTC Property Inventory: October 15, 2015 — *listing properties subject to compliance monitoring and financed through 9% and 4% tax credits by city, TDHCA file number, and developer information:*

www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm;
www.tdhca.state.tx.us/multifamily/housing-tax-credits-4pct/index.htm

Section 811 PRA Announcements: Eligible Metropolitan Areas — *adding the Corpus Christi MSA to the list of those eligible to participate in the Section 811 Project Rental Assistance (PRA) program:*

www.tdhca.state.tx.us/section-811-pra/announcements.htm; www.tdhca.state.tx.us/section-811-pra/index.htm

Annual Internal Audit Report for Fiscal Year 2015 — *providing information regarding the activities, benefits, and effectiveness of the Department's Internal Audit Division for Fiscal Year 2015:*

www.tdhca.state.tx.us/internal-audit.htm

2016 Multifamily Uniform Application: Request for Rural Designation — *for use by political subdivisions or census designated places requesting a rural designation for programmatic purposes:*

www.tdhca.state.tx.us/multifamily/apply-for-funds.htm

2016 Multifamily Uniform Application: List of Declared Disaster Areas — *detailing Texas counties receiving a signed disaster declaration during the three-year period prior to March 2016:*

www.tdhca.state.tx.us/multifamily/apply-for-funds.htm

Housing Trust Fund: Funding Sources and Background — *detailing appropriations and programming plans for the Department's Housing Trust Fund for the 2016-2017 biennium:*

www.tdhca.state.tx.us/htf/background.htm

2b

BOARD REPORT ITEM
COMMUNITY AFFAIRS DIVISION
DECEMBER 17, 2015

Report Regarding Reduced Contract Amounts resulting from the Voluntary Financial Commitment of Funds from Homeless Housing and Services Program (“HSSP”) Subrecipients for *Youth Count Texas!*

BACKGROUND

During the 84th Texas legislative session, House Bill (“HB”) 679, authored by Representative Sylvester Turner, passed both chambers and was signed into law on June 17, 2015. HB 679 adds §§2306.1101 and 2306.1102 to the Texas Government Code. The former defines homeless youth, and the latter requires the Texas Department of Housing and Community Affairs (“TDHCA”), in conjunction with the Texas Interagency Council for the Homeless (“TICH”), to conduct a study of homeless youth. A report on the study is due to the Texas Legislature no later than December 1, 2016.

To satisfy the requirement of the study, TDHCA is heading an initiative called *Youth Count Texas!*, which will produce a statewide count and needs assessment of Texas’ homeless and unstably-housed youth. The count will be conducted in different areas of Texas starting in October 2015 and will run through March 2016. The three phases of *Youth Count Texas!* are: Phase I - Survey Tool Development; Phase II - Survey Implementer; and Phase III – Data Analysis. More detail on the phases was given in the October 2015 Board report item.

Six of the eight cities that participate in the Homeless Housing and Services Program (“HHSP”) volunteered to support *Youth Count Texas!* with HHSP funding as a result of a potential shortfall in funding for Phase II. HHSP was created during the 81st Texas legislative session to be administered by the Department to fund homelessness prevention and homeless services in the Texas cities with population over 285,500. The 84th Texas Legislature, 1st called session, enacted House Bill 1 which provided General Revenue funds of \$10 million for HHSP in SFY 2016 and SFY 2017. At the Board meeting of September 3, 2015, the cities of Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, and San Antonio were awarded a total of \$5,000,000.

As a result of the six cities’ support of *Youth Count Texas!*, their contracts were not executed for the initial award amount, but have been executed for a reduced amount to reflect the financial support for the initiative for a count and needs assessment of homeless and unstably housed youth. Therefore, the awards as had been approved by the Board in September are adjusted below to show the amount committed for *Youth Count Texas!*

2016 Homeless Housing and Services Program Awards Reflecting *Youth Count Texas!*

	Subrecipient	Original Award	Commitment to <i>Youth Count Texas!</i>	Award Amount Reflecting <i>Youth Count Texas!</i>
1	City of Arlington	\$192,158	\$3,844	\$188,314
2	City of Austin	\$508,777	\$0	\$508,777
3	City of Corpus Christi, with Mother Teresa Shelter	\$241,062	\$12,500	\$228,562
4	City of Dallas	\$806,510	\$16,130	\$790,380
5	City of El Paso	\$446,389	\$12,500	\$433,889
6	City of Fort Worth, with United Way of Tarrant County	\$524,501	\$0	\$524,501
7	City of Houston	\$1,320,400	\$26,408	\$1,293,992
8	City of San Antonio, with Haven for Hope of Bexar County	\$960,203	\$19,201	\$941,002
	Total	\$5,000,000	\$90,583	\$4,909,417

2c

BOARD ACTION REPORT
MULTIFAMILY FINANCE DIVISION
DECEMBER 17, 2015

Report on the Site and Neighborhood review process for HOME-funded multifamily developments

BACKGROUND

For the past several years, the Department has submitted Site and Neighborhood packages to the U.S. Department of Housing and Urban Development's ("HUD") regional office in Fort Worth for all new construction HOME-funded multifamily developments. This process was enacted several years ago at the request of HUD Fort Worth. The materials included in these packages were primarily pulled from awardees' applications several months before an awardee was scheduled to close on a HOME loan. Materials such as evidence of utility availability, statement regarding how the development would provide greater choice of housing and avoid undue concentration of low-income persons, US Census Information, the Site Design and Development Feasibility Report, and the Market Study would be among the documentation pulled from the application and organized before sending it to HUD Fort Worth.

The requirement for collecting this information is found in 24 CFR §92.202(b), which states: "In carrying out the site and neighborhood requirements with respect to new construction of rental housing, a participating jurisdiction is responsible for making the determination that proposed sites for new construction meet the requirements in 24 CFR §983.57(e)(2) and (3)." Moreover, 24 CFR §983.57(e)(2) and (3) go on to state:

"(e) New construction site and neighborhood standards. A site for newly constructed housing must meet the following site and neighborhood standards:

(2) The site must not be located in an area of minority concentration, except as permitted under paragraph (e)(3) of this section, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

(3) A project may be located in an area of minority concentration only if:

(i) Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration (see paragraph (e)(3)(iii), (iv), and (v) of this section for further guidance on this criterion); or

(ii) The project is necessary to meet overriding housing needs that cannot be met in that housing market area (see paragraph (e) (3)(vi)) of this section for further guidance on this criterion)...

(vi) Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”). An “overriding housing need,” however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.”

On October 21, 2015, staff received an email from Thurman Miles, Director of Fair Housing and Equal Opportunity at HUD Fort Worth, saying that the Department was no longer required to submit its Site and Neighborhood packages to HUD based on the key phrase in 24 CFR §92.202(b) that “*a participating jurisdiction is responsible for making the determination that proposed sites for new construction meet the requirements in 24 CFR §983.57(e)(2) and (3).*” As a result, staff will continue to review the relevant documentation submitted with awarded applications to ensure that all HOME-funded multifamily developments comply with 24 CFR §983.57(e)(2) and (3). Since many areas of Texas are areas with minority concentration – minority concentration being defined as any area with a population of less than 50% non-Hispanic white – the Department has used the overriding housing needs justification in several Site and Neighborhood packages submitted to HUD Fort Worth over the past few years, and plans on continuing to use the overriding housing needs justification as appropriate in the future.

2d

BOARD REPORT ITEM
FINANCIAL ADMINISTRATION DIVISION
DECEMBER 17, 2015

Report on the Draft Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the Housing Trust Fund

WHEREAS, Texas Government Code §2306.204 requires an audit of the Department's Housing Trust Fund to be completed by December 31st of each year to determine the amount of unencumbered fund balances that is greater than the amount required for the reserve fund;

WHEREAS, Housing Finance Division unencumbered funds are the funds associated with any and all of the Department's housing finance activity that are not subject to any restriction precluding their immediate transfer to the housing trust fund. Such restrictions include: being subject to a state or federal law or other applicable legal requirement such as the General Appropriations Act, being held in trust subject to the terms of a bond indenture, or having been designated by the Department's Governing Board for a specific use or contingency;

WHEREAS, Texas Government Code §2306.205 provides a formula for determining the amount of unencumbered fund balances and the amounts, if any, to transfer to the Housing Trust Fund before January 10th; and

WHEREAS, Staff has drafted a process for determining the three year-end values total and non highest rated bond indebtedness, the amount of unencumbered fund balances and the amounts, if any, to transfer to the Housing Trust Fund;

NOW, therefore, it is hereby

RESOLVED, that the *Draft Computation of Unencumbered Fund Balances Report as of August 31, 2015*, is presented to this meeting and the Board and the Executive Director accepts this report in satisfaction of the requirements of Texas Government Code §2306.204 and 2306.205 with its final approval determined by the year-end audit performed by the State Auditor's Office.

BACKGROUND

Pursuant to Texas Government Code §2306.204 and 2306.205, the Department is required to transfer to the Housing Trust Fund annually a portion of the unencumbered funds, if any, meeting certain threshold and criteria. This statute also requires the Department to undergo an annual audit of its unencumbered fund balances and to transfer excess funds to the Housing Trust Fund based on a calculation set forth in the statute. Using the methodology outlined in the statute, Department staff developed a Standard Operating Procedure (#1210.05) to calculate statutorily required transfers to the Housing Trust Fund.

The *Draft Computation of Unencumbered Fund Balances Report as of August 31* (Exhibit A) reflects funds held by the Department deemed to be unencumbered of \$544,826; the *Calculation of Bonded Indebtness Report* (Exhibit B) that only includes bonds outstanding not rated in the highest long-term debt rating category to calculate the 2% threshold of \$22,667,156; and the *List of Bond Ratings* (Exhibit C) from rating agencies. Since the unencumbered balance is less than the 2% threshold it does not meet the first threshold in Texas Government Code §2306.205(a) for any transfer to the Housing Trust Fund.

In conclusion, the *Draft Computation of Unencumbered Fund Balances Report as of August 31, 2015*, yielded a zero transfer to the Housing Trust Fund. Again, this report is included for review in the year-end financial audit performed by the State Auditor's Office and is, therefore, subject to revision based on such audit.

EXHIBIT A

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Computation of Unencumbered Fund Balances
August 31, 2015

	S/F Program	RMRB Program	CHMRB Program	Taxable Mortgage Program	M/F Program	Operating Fund	Housing Trust Fund	Special Housing Programs	Governmental Fund
Qualifying Assets:									
Cash and Cash Equivalents	34,039,525	20,541,913	71,013	4,117,532	45,571,870	8,964,094	4,088,689	17,408,274	18,736,293
Investments @ fair value	399,077,586	251,680,706	4,294,015	5,284,952	40,279,689	544,284	0	0	
Fair Value Adjustment	(33,266,153)	(19,889,641)	(341,353)	(246,941)	(3,736,923)	(19,363)			
Loans and Contracts	19,302,955	49,533,925	0	0	965,186,177	13,635	54,480,519	113,416	475,397,747
Real Estate owned, @ net	30,375	0	0	0	0	798	170,909	0	
Accrued Interest receivable	1,429,218	871,890	22,516	16,649	9,425,172	2,722	10	33,416	
Federal Receivable									6,257,472
Legislative Appropriations									5,382,911
Subtotal	420,613,506	302,738,793	4,046,191	9,172,192	1,056,725,985	9,506,170	58,740,127	17,555,106	505,774,423
Less restrictions:									
Trust Indenture	(420,613,506)	(302,738,793)	(4,046,191)	(4,720,483)	(1,056,725,985)				
Operating Reserve						(1,121,214)		(6,878,786)	
Appropriated State Treasury Funds						(1,385,794)			(5,382,911)
Designated for program use per Government Code, Chapter 2306							(54,651,438)		
Funds Reserved, Committed or under Contract							(4,088,689)		
Add'l restrictions per Department				(4,451,709)		(6,601,169)			
Fee Reductions									
Contingent Legal Expenses								(1,893,969)	
Capital Budget								(429,240)	
Restricted Use of Fees for Administrative Expenses								(8,206,278)	
Federal Funds									(500,391,512)
Subtotal	(420,613,506)	(302,738,793)	(4,046,191)	(9,172,192)	(1,056,725,985)	(9,108,177)	(58,740,127)	(17,408,273)	(505,774,423)
Unencumbered fund balances	-	-	-	-	-	397,993	-	146,833	544,826

EXHIBIT B
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Calculation of Bonded Indebtedness as of August 31, 2015
Pursuant to Texas Government Code Section 2306.205

	Highest Bond Rating	Bonds Outstanding (Par)	Bonded Indebtedness Not Rated in the Highest Category
Single-family	AA+	\$ 347,390,000	\$ 347,390,000
RMRB	Aaa	217,685,000	
CHMRB	AA+	2,600,000	2,600,000
Multifamily	Various	965,352,799	783,367,799
		<u>\$ 1,533,027,799</u>	<u>\$ 1,133,357,799</u>

Section 2306.205(a)		
2% of bonded indebtedness		\$ 22,667,156
Unencumbered Fund Balance (UFB) per Calculation		\$ 544,826
Does UFB exceed 2% of bonded indebtedness?		No
If UFB exceeds 2% of bonded indebtedness: What amount exceeds 2% of bonded indebtedness?		\$ -
Half of UFB in excess of 2% of bonded indebtedness (Transfer to Housing Trust Fund)		\$ -

Section 2306.205(c)		
4% of bonded indebtedness		\$ 45,334,312
Unencumbered Fund Balance (UFB) per Calculation		\$ 544,826
Does UFB exceed 4% of bonded indebtedness?		No
If UFB exceeds 4% of bonded indebtedness: What amount exceeds 4% of bonded indebtedness?		\$ -
All of UFB in excess of 4% of bonded indebtedness (Transfer to Housing Trust Fund)		\$ -

EXHIBIT C

Single Family Indenture				Rating Agencies			
Series	CUSIP	Maturity Date	Interest Rate	8/31/2015	Moody's	Standard & Poor's	Fitch
				Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
2004A JL	88275FNM7	9/1/2036	VAR	\$ 3,855,000.00	Aa2/VMIG1	AA+/A-1+	#N/A N/A
2004B	88275FNN5	9/1/2034	VAR	\$ 44,260,000.00			
2004D	88275FNP0	3/1/2035	VAR	\$ 29,585,000.00	Aa1/VMIG1	AA+/A-1+	#N/A N/A
2005A	88275FNQ8	9/1/2036	VAR	\$ 37,115,000.00	Aa1/VMIG1	AA+/A-1+	#N/A N/A
2005B	88275FKL 2	9/1/2015	4.550%	\$ 65,000.00	Aa1	AA+	WD
	88275FKM 0	9/1/2020	4.800%	\$ 700,000.00	Aa1	AA+	WD
	88275FKN 8	9/1/2025	4.900%	\$ 870,000.00	Aa1	AA+	WD
				\$ 1,635,000.00			
2005D	88275FKQ1	9/1/2035	5.000%	\$ 825,000.00	Aa1	AA+	WD
2005C	88275FNR6	9/1/2017	VAR	\$ 3,090,000.00	Aa1/VMIG1	AA+/A-1+	#N/A N/A
2006A	88275FKS7	9/1/2037	5.000%	\$ 15,430,000.00	Aa1	AA+	#N/A N/A
2006B	88275FKT5	9/1/2034	5.000%	\$ 16,195,000.00	Aa1	AA+	#N/A N/A
2006C	88275FKU2	9/1/2037	5.125%	\$ 25,840,000.00	Aa1	AA+	#N/A N/A
2006D	88275FKV0	9/1/2021	4.800%	\$ 1,245,000.00	Aa1	AA+	#N/A N/A
	88275FKX6	9/1/2028	4.950%	\$ 4,150,000.00	Aa1	AA+	#N/A N/A
				\$ 5,395,000.00			
2006E	88275FLG2	9/1/2015	4.250%	\$ 1,645,000.00	Aa1	AA+	#N/A N/A
	88275FLH0	9/1/2016	4.300%	\$ 1,720,000.00	Aa1	AA+	#N/A N/A
	88275FLJ6	9/1/2017	4.400%	\$ 1,790,000.00	Aa1	AA+	#N/A N/A
				\$ 5,155,000.00			
2006H	88275FLK3	9/1/2037	VAR	\$ 36,000,000.00	Aa1/VMIG1	AA+/A-1+	#N/A N/A
2007A	88275FMF3	9/1/2038	VAR	\$ 48,190,000.00	Aa1/VMIG1	AA+/A-1+	#N/A N/A
2007B	88275FMN6	9/1/2015	4.550%	\$ 565,000.00	Aa1	AA+	#N/A N/A
	88275FMP1	9/1/2016	4.600%	\$ 590,000.00	Aa1	AA+	#N/A N/A
	88275FMQ9	9/1/2017	4.700%	\$ 610,000.00	Aa1	AA+	#N/A N/A
	88275FMR7	9/1/2022	5.050%	\$ 3,580,000.00	Aa1	AA+	#N/A N/A
	88275FMS5	9/1/2027	5.150%	\$ 4,640,000.00	Aa1	AA+	#N/A N/A
	88275FMT3	9/1/2032	5.250%	\$ 6,050,000.00	Aa1	AA+	#N/A N/A
	88275FMU0	3/1/2039	5.625%	\$ 365,000.00	Aa1	AA+	#N/A N/A
	88275FMW6	9/1/2039	5.150%	\$ 25,000,000.00	Aa1	AA+	#N/A N/A
	88275FMV8	9/1/2039	5.300%	\$ 5,095,000.00	Aa1	AA+	#N/A N/A
				\$ 46,495,000.00			
2013A	88275FNT2	3/1/2036	2.800%	\$ 28,325,000.00	Aa1	AA+	#N/A N/A
Total Bonds Outstanding				\$ 347,390,000.00			
Bonds Rated in the Highest Category (Aaa OR AAA)				\$			
Bonds NOT Rated in the Highest Category (Aaa OR AAA)				\$ 347,390,000.00			

EXHIBIT C

RMRB Indenture				Rating Agencies				
				8/31/2015	Moody's	Standard & Poor's	Fitch	
Series	CUSIP	Maturity Date	Interest Rate	Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch	
2009A	882750JZ6	1/1/2016	3.375%	\$ 165,000.00	Aaa	AA+	#N/A N/A	
	882750KA9	7/1/2016	3.450%	\$ 165,000.00	Aaa	AA+	#N/A N/A	
	882750KB7	1/1/2017	3.800%	\$ 160,000.00	Aaa	AA+	#N/A N/A	
	882750KC5	7/1/2017	3.800%	\$ 160,000.00	Aaa	AA+	#N/A N/A	
	882750KD3	1/1/2018	3.900%	\$ 160,000.00	Aaa	AA+	#N/A N/A	
	882750KE1	7/1/2018	3.900%	\$ 155,000.00	Aaa	AA+	#N/A N/A	
	882750KF8	1/1/2019	4.000%	\$ 155,000.00	Aaa	AA+	#N/A N/A	
	882750KG6	7/1/2019	4.000%	\$ 155,000.00	Aaa	AA+	#N/A N/A	
	882750KH4	7/1/2024	4.850%	\$ 1,925,000.00	Aaa	AA+	#N/A N/A	
	882750JN3	7/1/2029	5.100%	\$ 5,970,000.00	Aaa	AA+	#N/A N/A	
	882750JP8	7/1/2034	5.300%	\$ 5,480,000.00	Aaa	AA+	#N/A N/A	
	882750KJ0	1/1/2039	5.375%	\$ 4,945,000.00	Aaa	AA+	#N/A N/A	
	882750KK7	7/1/2039	5.450%	\$ 9,670,000.00	Aaa	AA+	#N/A N/A	
					\$ 29,265,000.00			
2009B	882750KT8	7/1/2016	4.250%	\$ 245,000.00	Aaa	AA+	#N/A N/A	
	882750KU5	7/1/2017	4.550%	\$ 20,000.00	Aaa	AA+	#N/A N/A	
	882750KV3	1/1/2018	4.700%	\$ 185,000.00	Aaa	AA+	#N/A N/A	
	882750KW1	7/1/2018	4.700%	\$ 180,000.00	Aaa	AA+	#N/A N/A	
	882750KY7	7/1/2019	4.800%	\$ 3,280,000.00	Aaa	AA+	#N/A N/A	
	882750KX9	7/1/2022	5.250%	\$ 4,400,000.00	Aaa	AA+	#N/A N/A	
				\$ 8,310,000.00				
2009C-1	882750MA7	7/1/2041	3.570%	\$ 53,120,000.00	Aaa	AA+	#N/A N/A	
2011A	882750LJ9	1/1/2016	2.800%	\$ 785,000.00	Aaa	AA+	#N/A N/A	
	882750LK6	7/1/2016	2.900%	\$ 805,000.00	Aaa	AA+	#N/A N/A	
	882750LL4	1/1/2017	3.100%	\$ 825,000.00	Aaa	AA+	#N/A N/A	
	882750LM2	7/1/2017	3.200%	\$ 850,000.00	Aaa	AA+	#N/A N/A	
	882750LN0	1/1/2008	3.500%	\$ 855,000.00	Aaa	AA+	#N/A N/A	
	882750LP5	7/1/2018	3.600%	\$ 890,000.00	Aaa	AA+	#N/A N/A	
	882750LQ3	1/1/2019	3.875%	\$ 910,000.00	Aaa	AA+	#N/A N/A	
	882750LR1	7/1/2019	3.950%	\$ 930,000.00	Aaa	AA+	#N/A N/A	
	882750LS9	1/1/2020	4.125%	\$ 955,000.00	Aaa	AA+	#N/A N/A	
	882750LT7	7/1/2020	4.125%	\$ 975,000.00	Aaa	AA+	#N/A N/A	
	882750LU4	1/1/2021	4.375%	\$ 995,000.00	Aaa	AA+	#N/A N/A	
	882750LV2	7/1/2021	4.375%	\$ 1,020,000.00	Aaa	AA+	#N/A N/A	
	882750LW0	1/1/2022	4.550%	\$ 1,045,000.00	Aaa	AA+	#N/A N/A	
	882750LX8	7/1/2022	4.550%	\$ 1,075,000.00	Aaa	AA+	#N/A N/A	
	882750LY6	7/1/2026	5.050%	\$ 9,245,000.00	Aaa	AA+	#N/A N/A	
	882750LZ3	7/1/2029	5.000%	\$ 7,765,000.00	Aaa	AA+	#N/A N/A	
				\$ 29,925,000.00				
2009C-2	882750NB4	7/1/2041	2.480%	\$ 42,210,000.00	Aaa	AA+	#N/A N/A	
2011B	882750MJ8	1/1/2016	1.800%	\$ 1,105,000.00	Aaa	AA+	#N/A N/A	
	882750MK5	7/1/2016	1.900%	\$ 1,115,000.00	Aaa	AA+	#N/A N/A	
	882750ML3	1/1/2017	2.150%	\$ 1,125,000.00	Aaa	AA+	#N/A N/A	
	882750MM1	7/1/2017	2.250%	\$ 1,135,000.00	Aaa	AA+	#N/A N/A	
	882750MN9	1/1/2018	2.550%	\$ 1,130,000.00	Aaa	AA+	#N/A N/A	
	882750MP4	7/1/2018	2.600%	\$ 1,150,000.00	Aaa	AA+	#N/A N/A	
	882750MQ2	1/1/2019	2.850%	\$ 1,170,000.00	Aaa	AA+	#N/A N/A	
	882750MR0	7/1/2019	2.900%	\$ 1,195,000.00	Aaa	AA+	#N/A N/A	
	882750MS8	1/1/2020	3.100%	\$ 1,215,000.00	Aaa	AA+	#N/A N/A	
	882750MT6	7/1/2020	3.100%	\$ 1,235,000.00	Aaa	AA+	#N/A N/A	
	882750MU3	1/1/2021	3.300%	\$ 1,260,000.00	Aaa	AA+	#N/A N/A	
	882750MV1	7/1/2021	3.300%	\$ 1,285,000.00	Aaa	AA+	#N/A N/A	
	882750MW9	1/1/2022	3.500%	\$ 1,315,000.00	Aaa	AA+	#N/A N/A	
	882750MX7	7/1/2022	3.500%	\$ 1,345,000.00	Aaa	AA+	#N/A N/A	
	882750MY5	1/1/2026	4.050%	\$ 11,965,000.00	Aaa	AA+	#N/A N/A	
	882750MZ2	1/1/2030	4.450%	\$ 11,155,000.00	Aaa	AA+	#N/A N/A	
882750NA6	1/1/2034	4.250%	\$ 14,955,000.00	Aaa	AA+	#N/A N/A		
				\$ 54,855,000.00				

Total Bonds Outstanding \$ 217,685,000.00

Bonds Rated in the Highest Category (Aaa OR AAA) \$ 217,685,000.00

Bonds NOT Rated in the Highest Category (Aaa OR AAA) \$ -

EXHIBIT C

CHMRB								
				8/31/2015	Rating Agencies			
Series	CUSIP	Maturity	Coupon	Ending Bonds Outstanding	Moody's	Standard & Poor's	Fitch	
					rtg moody	rtg sp	rtg fitch	
1992 C-1 & 1992 C-2 (Linked)	882749BM5	7/2/2024	6.9	\$ 1,100,000.00	#N/A N/A	AA+	#N/A N/A	
1992 C-1 (SAVRS)	882749BP8	7/2/2024	0.126	\$ 750,000.00	#N/A N/A	AA+	#N/A N/A	
1992 C-2 (RIBS)	882749BN3	7/2/2024	13.388	\$ 750,000.00	#N/A N/A	AA+	#N/A N/A	
1992 C-2 (Special Linked)	882749BQ6	7/2/2024	6.758		#N/A N/A	AA+	#N/A N/A	
1992 C-2 (Special SAVRS)	882749BR6	7/2/2024	#N/A N/A		#N/A N/A	AA+	#N/A N/A	

Total Bonds Outstanding \$ 2,600,000.00

Bonds Rated in the Highest Category (Aaa OR AAA)

Bonds NOT Rated in the Highest Category (Aaa OR AAA) \$ 2,600,000.00

EXHIBIT C

Private or Public	Rating Agencies			
	8/31/2015	Moody's	Standard & Poor's	Fitch
	Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
Private Place	\$ 8,075,000.00	#NAME?	NR	#N/A N/A
Public Offer	\$ -	#N/A N/A	AA	#N/A N/A
Private Place	\$ 3,721,000.00	#N/A N/A	NR	#N/A N/A
Private Place	\$ 1,987,000.00	#N/A N/A	NR	#N/A N/A
Private Place	\$ 67,000.00	#N/A N/A	NR	#N/A N/A
Public Offer	\$ -	Aaa	AA+	WD
Private Place	\$ 6,137,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ 2,208,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Public Offer	\$ 6,470,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Private Place	\$ 8,949,126.00	Charter Mac Equity Issuer Trust		
Public Offer	\$ 5,140,000.00	#N/A N/A	AA-	#N/A N/A
Public Offer	\$ 5,460,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Private Place	\$ 8,921,106.00	Charter Mac Equity Issuer Trust		
Private Place	\$ 7,321,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Private Place	\$ 19,201,598.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ 8,933,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ 2,014,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ 11,471,869.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ 9,860,743.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ 12,671,516.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Public Offer	\$ 5,130,000.00	WR	NR	WD
Private Place	\$ 1,300,000.00	WR	#N/A N/A	#N/A N/A
Public Offer	\$ 7,589,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Private Place	\$ 391,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Offer	\$ 6,160,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Private Place	\$ -	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ -	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ 5,967,842.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ 12,136,477.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ 3,710,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Private Place	\$ 12,952,368.00	Charter Mac Equity Issuer Trust		
Private Place	\$ 10,712,555.00	Charter Mac Equity Issuer Trust		
Public Offer	\$ 10,693,610.00	#N/A N/A	#N/A N/A	#N/A N/A
Private Place	\$ 15,000,000.00	Charter Mac Equity Issuer Trust		
Private Place	\$ 1,040,594.00	Charter Mac Equity Issuer Trust		
Public Offer	\$ 8,750,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
Private Place	\$ 1,700,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Offer	\$ 8,830,000.00	WR	NR	WD
Public Offer	\$ 2,205,000.00	WR	NR	WD
Public Offer	\$ 6,375,000.00	WR	NR	WD
Public Offer	\$ 1,595,000.00	WR	NR	WD
Private Place	\$ 15,000,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Private Place	\$ 699,796.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ 10,900,000.00	Charter Mac Equity Issuer Trust		
Private Place	\$ 1,574,139.00	Charter Mac Equity Issuer Trust		
Private Place	\$ 15,000,000.00	#N/A N/A	#N/A N/A	#N/A N/A

EXHIBIT C

Private or Public	8/31/2015 Ending Bonds Outstanding	Rating Agencies		
		Moody's rtg moody	Standard & Poor's rtg sp	Fitch rtg fitch
Private Place	\$ 418,897.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Offer	\$ 10,545,000.00	#N/A N/A	AA+	#N/A N/A
Public Offer	\$ 15,000,000.00	WR	#N/A N/A	#N/A N/A
Public Offer	\$ 1,253,361.00	WR	#N/A N/A	#N/A N/A
Private Place	\$ 13,182,338.00	Charter Mac Equity Issuer Trust		
Public Offer	\$ 17,710,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
Private Place	\$ 6,314,809.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Offer	\$ 8,815,000.00	WR	NR	WD
Private Place	\$ 2,210,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Private Place	\$ 6,696,684.00	Charter Mac Equity Issuer Trust		
Private Place	\$ 8,320,029.00	#N/A N/A	NR	#N/A N/A
Public Offer	\$ 10,605,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Offer	\$ 10,600,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Private Place	\$ 13,927,403.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Offer	\$ 11,100,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Public Offer	\$ 11,500,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Public Offer	\$ 13,265,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Private Place	\$ -	#N/A N/A	#N/A N/A	#N/A N/A
Private Place	\$ 9,412,003.00	#N/A N/A	#N/A N/A	#N/A N/A
Private Place	\$ 13,240,694.00	Charter Mac Equity Issuer Trust		
Public Offer	\$ 13,038,978.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Private Place	\$ 10,385,016.00	Charter Mac Equity Issuer Trust		
Private Place	\$ 11,475,075.00	Charter Mac Equity Issuer Trust		
Private Place	\$ 8,879,635.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
Public Offer	\$ 10,890,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Public Offer	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
Public Offer	\$ 11,100,000.00	A1	#N/A N/A	#N/A N/A
Public Offer	\$ 5,980,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Private Place	\$ 10,400,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Private Place	\$ 10,753,458.00	Charter Mac Equity Issuer Trust		
Private Place	\$ 12,268,637.00	Washington Mutual Bank		
Public Offer	\$ 4,485,000.00	#N/A N/A	AA+	#N/A N/A
Public Offer	\$ 13,490,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Private Place	\$ 6,430,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Offer	\$ 9,580,000.00	#N/A N/A	AA+	#N/A N/A
Private Place	\$ 13,759,469.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Offer	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
Public Offer	\$ 10,175,000.00	#N/A N/A	NR	#N/A N/A
Private Place	\$ 5,343,923.00	US Bank		
Private Place	\$ -	US Bank		
Public Offer	\$ 4,615,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
Public Offer	\$ 4,475,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
Private Place	\$ -	Washington Mutual Bank		
Private Place	\$ 11,862,618.00	#N/A N/A	#N/A N/A	#N/A N/A
Private Place	\$ 13,000,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Offer	\$ 6,615,000.00	#N/A N/A	A/A-1	#N/A N/A

EXHIBIT C

	8/31/2015	Rating Agencies		
		Moody's	Standard & Poor's	Fitch
Private or Public	Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
Public Place	\$ 9,115,000.00	#N/A N/A	AA+	#N/A N/A
Public Offer	\$ 13,390,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Public Offer	\$ 13,380,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Private Place	\$ 13,864,741.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Place	\$ 4,900,000.00	#N/A N/A	A/A-1	#N/A N/A
Private Place	\$ 11,766,999.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Offer	\$ 15,775,000.00	Aa1	#N/A N/A	#N/A N/A
Public Offer	\$ 8,960,000.00	#N/A N/A	AA+	#N/A N/A
Private Place	\$ 10,296,693.00	Centerline Equity Issuer Trust		
Public Offer	\$ 13,300,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Public Offer	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
Public Offer	\$ 12,215,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Public Offer	\$ 13,120,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Public Offer	\$ 12,805,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
Public Offer	\$ 12,100,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
Public Offer	\$ 13,270,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Public Offer	\$ 14,555,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
Public Offer	\$ 14,500,000.00	#N/A N/A	A-1+	#N/A N/A
Private Place	\$ 23,000,000.00	#N/A N/A	#N/A N/A	#N/A N/A
Public Offer	\$ 2,900,000.00	#N/A N/A	A-1+	#N/A N/A
Public Offer	\$ -	#N/A N/A	A-1+	#N/A N/A

\$ 965,352,799.00

Bonds Rated in the Highest Category (Aaa OR AAA) \$ 181,985,000.00

Bonds NOT Rated in the Highest Category (Aaa OR AAA) \$ 783,367,799.00

ACTION ITEMS

3a

BOARD REPORT ITEM

SECTION 811 PROGRAM

DECEMBER 17, 2015

Report on the Section 811 PRA Program

In 2013, the U.S. Department of Housing and Urban Development (“HUD”) provided the Department an award under the Section 811 PRA Program, which provides project based rental assistance to extremely low-income persons with disabilities as they receive long term services. Subsequently in 2014, HUD awarded a second round of funds to Texas as well. Combined, the awards total \$24 million to provide rental assistance for approximately 681 units. The Department operates this program in partnership with several of the state’s Health and Human Service agencies.

2015 Housing Tax Credit Outcome Summary

To promote the success of the program, the Board included in the 2015 Qualified Allocation Plan (“QAP”) a two-point scoring item for Applications that committed to participate in the Section 811 Program. The points were available only for Applications with properties in the 811 PRA areas, which were seven Metropolitan Statistical Areas (Austin-Round Rock, Brownsville-Harlingen, Dallas-Fort Worth-Arlington, El Paso, Houston-The Woodlands-Sugarland, McAllen-Edinburg-Mission, and San-Antonio-New Braunfels). Without this incentive there had been a shortage of properties willing to participate in the Program.

To receive the points, Applicants could either commit to place the Section 811 PRA units on the property that was applying for 2015 Housing Tax Credits, in which case units would not be constructed/reconstructed and able to house a prospective 811 tenant until mid to late 2017 or could place the Section 811 units on a different Department-approved Existing Development, enabling possible 811 tenancy as early as this year.

- Based on the 2015 Housing Tax Credit awards made earlier this year by the Board, the results on the effectiveness of those 811 points are below: The scoring item in the QAP was very effective and had the desired effect of prompting participation in the 811 Program; the points successfully generated an initial pool of 18 total Section 811 PRA participating properties, dedicating 192 units total.
- Of the 154 applications received during the 2015 cycle, 58 were eligible for Section 811 points based on geographic location and other minimum threshold criteria associated with the 811 PRA units.
- Of the 58 properties eligible for Section 811 points, 93% (54 properties) did in fact claim those points.
- Every Application that received an award of tax credits that was in an eligible MSA participated in the Section 811 Program, except one.
- Of the 18 properties, seven are for existing properties which will enable tenancy by 811 eligible clients in early 2016; the remaining 11 properties are associated with new construction and acquisition/rehab tax credits and will not be available for client referrals until the end of 2017.

- While not provided a point incentive, an Applicant from El Paso committed three existing properties with 14 units for each property to the Section 811 Program, strongly augmenting the initial program rollout.
- The McAllen-Edinburg-Mission MSA is the only eligible MSA with no planned Section 811 Developments.

Participation Agreements

The Participation Agreement is the contractual agreement between the Department and the Property Owner that is executed when a property is approved to participate in the program. The Participation Agreement identifies the obligations of the Property Owner and the Department as it relates to the Section 811 Program.

In late November, the Department distributed Participation Agreements to all 18 Section 811 properties, which must all be signed for each Application to be compliance with their award of tax credits. Once a Participation Agreement is fully executed, the Department, along with our Health and Human Services partners trains the property management staff on how to operate the program and begins marketing the property to eligible households. It is also at this time that a property is then required to notify the Department of vacancies as they occur so that they can accept eligible Section 811 applicants.

Request for Applications

The Department is striving to maximize the extent to which 811 tenants can begin tenancy right away, without having to wait for the construction of many of the newly awarded tax credit properties. Therefore, on November 24, 2015, the Department published a Request for Applications (RFA), as authorized by the Board on December 12, 2013, (item 2b)) that invites eligible multifamily properties to participate in the Section 811 Program separate from any current release of tax credit or other multifamily funds. The RFA is also the vehicle to garner pre-approval for 2016 Housing Tax Credit Applicants that are interested in having an Existing Development approved by the department. Approved Existing Developments are eligible to place Section 811 units instead of them being placed on the property applying for a 2016 Housing Tax Credit award. The combined funding currently provides assistance for approximately 681 units. The 18 existing Participation Agreements could serve 192 households or 28% of the total, however staff anticipates ultimately executing Participation Agreements to provide more units (options to prospective tenants) than the total number of households anticipated to benefit from the program.

Changes for 2016

- The Corpus Christi MSA has been added to the Program as an eligible MSA for the Program which is reflected in the 2016 QAP and the RFA.
- Owners committing at least ten Section 811 units are eligible for one point in the 2016-1 Multifamily Direct Loan Notice of Funding Availability recently approved by the Board for release.
- For 2016 HTC Developments, the Development Site must not be located in the mapped 500-year floodplain or in the 100-year floodplain.

Next Steps

- The State of Texas is working with HUD to finalize the Cooperative Agreement for the second award of \$12,000,000 the Department was awarded under HUD's Fiscal Year 2013 round. The Department anticipates signing the Cooperative Agreement before the end of the calendar year. Operationally, the two grants are operated as one program and follow one set of regulations.
- Since the beginning of the program, the Texas Health and Human Service agencies have experienced significant change in association with healthcare reform and legislative sunset changes. In light of those changes the Interagency Agreement that exists between the Department and those agencies warrants revision; over the next several months that agreement will be amended.
- Section 811 staff will conduct trainings for participating Owners of existing Section 811 Properties and local Section 811 Referral Agents and Service Coordinators.
- We estimate that we will have our first tenants in 811 units by March 2016.

3b

ORAL

PRESENTATION

3c

BOARD REPORT ITEM
COMMUNITY AFFAIRS DIVISION
DECEMBER 17, 2015

Report Regarding the Progress of *Youth Count Texas!*

BACKGROUND

House Bill (“HB”) 679, authored by Representative Sylvester Turner, was passed by the 84th Texas Legislature and signed into law on June 17, 2015. HB 679 adds §§2306.1101 and 2306.1102 to the Texas Government Code. The former defines homeless youth, and the latter requires the Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”), in conjunction with the Texas Interagency Council for the Homeless (“TICH”), to conduct a study of homeless youth. A report on the study is due to the Texas Legislature no later than December 1, 2016.

The TICH is a council created by the 74th Texas Legislature to coordinate the state’s homeless resources. Per legislation, the TICH serves as an advisory committee to the Department, and TDHCA also provides clerical support to the TICH. The TICH is currently composed of 11 state agency representatives and representatives appointed by the Governor, Lieutenant Governor, and Speaker of the House of Representatives. TDHCA has two representatives on the TICH. The TICH has created a workgroup specifically for the report on homeless youth. This workgroup has participated in Phase I, Survey Development, described below.

HB 679 requires a physical count of youth experiencing homelessness in Texas. Currently, the U.S. Department of Housing and Urban Development (“HUD”) requires a point-in-time (“PIT”) count, which is an annual count of persons experiencing homelessness. HUD’s PIT guide sets a standard that PIT counts be conducted within the last 10 days in January, and that the PIT count methodology must be in alignment with the local Continuum of Care (“CoC”) governance charter.

To satisfy the count of youth experiencing homelessness required by the legislation, TDHCA initiated *Youth Count Texas!* for a statewide count and needs assessment of Texas homeless and unstably-housed youth. The youth count is being considered to be held in conjunction with the PIT count and/or be a stand-alone youth count at another time of year. *Youth Count Texas!* started in October 2015 and is running through March 2016.

The study on homelessness among youth will be conducted in three phases:

Phase I – Survey Tool Development. This phase is complete. From July to August 2015, TDHCA contracted with the Texas Network of Youth Services (“TNOYS”) to gather input from stakeholders including the TICH, hold three roundtables on the survey tools, and obtain commitments from a majority of Continua of Care (“CoCs”) to take the survey tool to their governing bodies for approval. The result was the creation of two surveys: one for use during the annual point-in-time (“PIT”) count of homeless persons in January 2016 and one for a needs assessment which can be used until March 2016. An annual PIT count is required by HUD.

Phase II – Survey Implementer. This phase began September 2015 and is scheduled through March 2016. TDHCA has contracted with TNOYS to create training for survey implementation,

provide technical assistance for CoCs, provide a data collection methodology and system, and deliver a report of the results of the implementation. TNOYS is working on developing partnerships for *Youth Count Texas!* with the Texas Homeless Network, Texas Homeless Education Office, each CoC, and the University of Texas at Austin's Child and Family Research Partnership. TNOYS also presented on *Youth Count Texas!* to school homeless liaisons and staff of CoCs at the Texas Conference on Ending Homelessness in October 2015. In an effort to effectively provide technical assistance to CoCs and train volunteer counters, TNOYS is developing a toolkit to be used by CoCs to prepare them for the counts. The first youth count was completed in Austin in October 2015, and the preliminary results show three times as many homeless youth counted as during the annual point-in-time count done in January 2015 as required by HUD.

Phase III – Data Analysis. This phase is expected to start in spring 2016. The data from Phase II, along with data collected from other Texas state agencies, will be analyzed to examine the number and needs of homeless youth and the degree to which current programs are meeting those needs; identify any sources of funding that might be available to provide services to homeless youth; and develop a strategic plan establishing steps to be taken and timelines for reducing youth homelessness in this state.

4

BOARD ACTION REQUEST

COMMUNITY AFFAIRS DIVISION

DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on the award of Comprehensive Energy Assistance Program (“CEAP”) and the Community Services Block Grant (“CSBG”) contracts to Community Services of Northeast Texas, Inc. to provide services in Delta, Franklin, Hopkins, Lamar, Rains, Red River, and Titus counties

RECOMMENDED ACTION

WHEREAS, pursuant to Texas Government Code, §§2306.053, .092, and .097, the Texas Department of Housing and Community Affairs (“the Department”) is provided the authority to administer the CEAP and the CSBG;

WHEREAS, the Department administers the CEAP (funded through the Low-Income Home Energy Assistance Program grant) and CSBG programs with funding from the U.S. Department of Health and Human Services;

WHEREAS, due to the voluntary relinquishment of these programs by North East Texas Opportunities, Inc., there is no existing CEAP or CSBG service provider in Delta, Franklin, Hopkins, Lamar, Rains, Red River, and Titus counties;

WHEREAS, at the Board meeting of July 30, 2015, the Department received authorization to release a Request for Applications (“RFA”) to identify a permanent provider of CEAP and CSBG services in Delta, Franklin, Hopkins, Lamar, Rains, Red River, and Titus counties;

WHEREAS, on October 20, 2015, the Department released an RFA and received four qualifying responses by the November 20, 2015, deadline;

WHEREAS, the two highest scoring respondents, Texoma Council of Governments and Ark-Tex Council of Governments, are both political subdivisions of the state;

WHEREAS, the CSBG Act requires that a political subdivision of the state (which includes Councils of Governments) can only be designated to receive CSBG if no private non-profit is identified or determined to be qualified under subsection (a) or SECTION 676A of the CSBG Act; and

WHEREAS, Community Services of Northeast Texas is a private non profit that was scored and was not disqualified and has satisfied the Previous Participation Review:

NOW, therefore, it is hereby

RESOLVED, that Community Services of Northeast Texas, Inc., a qualified non profit organization that is geographically located in an area contiguous to the area formerly served by North East Texas Opportunities, Inc., is awarded CEAP and CSBG funds for Delta, Franklin, Hopkins, Lamar, Rains, Red River, and Titus counties, in the amounts shown in Exhibit:

FURTHER RESOLVED, that the entity awarded CSBG funds through this action shall be the designated eligible entity to receive CSBG funds for the associated county(ies) until such time that the designation requires review; and

FURTHER RESOLVED, that Community Services of Northeast Texas is authorized to receive any uncontracted prior years funds should they be made available to the network.

BACKGROUND

Due to the voluntary relinquishment by Northeast Texas Opportunities, Inc., the counties of Delta, Franklin, Hopkins, Lamar, Rains, Red River, and Titus counties have been receiving CEAP services through a temporary contract with Texoma Council of Governments as of July 30, 2015.

At the Board meeting of July 30, 2015, staff requested approval for the release of a Request for Applications to identify an entity (entities) that would permanently operate the CSBG and CEAP programs in the affected counties. The RFA required that applicant organizations apply for all the counties in the service area of the programs and that they apply for both programs jointly. The application deadline was November 20, 2015. Staff received and scored application responses from four entities: Community Services of Northeast Texas, Inc., Texoma Council of Governments, Ark-Tex Council of Governments, and Hopkins County Community Action Network.

CSBG funds are to be utilized for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income individuals to become fully self-sufficient. CEAP funds are to assist low income households in meeting their energy needs, with priority given to the elderly, disabled, families with young children in the home families, households with high energy burden, and households with high energy consumption. CEAP also encourages consumers to control energy costs for years to come through energy education. Further, funding provides for State administration and State training and technical assistance activities.

Exhibit A

Estimated 2016 allocation:

Community Services Block Grant (CSBG):

COUNTY	Estimated 2016 CSBG Allocation
Delta	\$8,124.54
Franklin	\$13,565.15
Hopkins	\$48,403.09
Lamar	\$71,832.28
Rains	\$12,902.12
Red River	\$19,570.82
Titus	\$54,038.00
TOTAL	\$228,436.00

Comprehensive Energy Assistance Program (CEAP):

COUNTY	Estimated 2016 CEAP Allocation
Delta	\$66,485
Franklin	\$65,506
Hopkins	\$171,533
Lamar	\$294,120
Rains	\$69,470
Red River	\$121,457
Titus	\$150,572
TOTAL	\$939,143

5a

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action regarding a material amendment to the Housing Tax Credit Application and Land Use Restriction Agreement (“LURA”) for Willow Pond Apartments in Dallas (#94039)

RECOMMENDED ACTION

WHEREAS, Willow Pond Apartments received an award of 9% Housing Tax Credits in 1994 to rehabilitate 394 multifamily units in Dallas;

WHEREAS, the Application proposed and the LURA requires that 100% of the Units in the Development be leased and rented or made available to Low-Income Tenants;

WHEREAS, the LURA for the Development identifies a total of 394 units and 41 buildings; however, in 1997 the Owner notified the Department that, due to severe structural integrity problems identified in 1995 for Building 26, this eight-unit building was not repairable and was demolished;

WHEREAS, one of the residential units has been used for non-residential purposes as a kids club offering after school enrichment programs;

WHEREAS, the Development Owner is now requesting approval to amend the Application and the LURA to reduce the number of low income units offered at the Development for the unit used as a kids club in addition to changing the income targeting on four units from 60% of AMGI to 80% of AMGI; and

WHEREAS, Board approval is required for a material alteration to the Development under Texas Government Code §2306.6712 and 10 TAC §10.405(a)(4), and the Owner has complied with the amendment requirements as well as with the procedures for a material amendment to the LURA including the notification requirements under 10 TAC §10.405(b);

NOW, therefore, it is hereby

RESOLVED, that the request to allow the continued use of one residential unit for non-residential purposes (Unit 2002) at Willow Pond Apartments is approved as presented to this meeting and that the request to convert four low income units to market rate is denied. The Executive Director and his designees are each authorized, empowered and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Willow Pond Apartments (formerly known as Glen Hills Apartments) received a 1994 9% HTC award to rehabilitate 394 units in Dallas. In 2009, the Department approved a transfer of ownership from the prior owner, Dallas/Glen Hills, L.P., to the current owner, WPA Investment Group, Ltd. (Clark S. Willingham).

The Development has a history of compliance violations and was the subject of two Agreed Final Orders, one in 2013 and one in 2015. The last remaining correctable noncompliance issue for this property relates to the use of unit #2002 for non-residential purposes. The owner states that this unit serves as the kids club for after school enrichment programs and as a community center. The service is not a requirement of the LURA, and the owner indicates that Department approval for continued use of this unit would allow the services to the tenants to continue and hopefully expand. The kids club is run by a nonprofit organization called Behind Every Door Ministries. Will Dowell, Executive Director for the nonprofit, indicated to staff that the after school program at Willow Pond has been there since early 2010. The nonprofit provides the kids in the Willow Pond community with teaching assistance and mentoring, with a focus on helping the kids in the community master the English language and perform academically at grade level. The after school program, according to Mr. Dowell, is not currently licensed as a childcare facility because it has been exempt from this requirement since November 2014.

Also included in the owner's letter is a request to correct an error in the recorded LURA with respect to the total number of units and buildings identified. The Application proposed the rehabilitation of 394 rental units in 41 residential buildings, and the LURA was recorded consistent with this representation. However, the owner confirms that the Development has a total of 386 units and 38 buildings and is requesting that this discrepancy be corrected. Staff reviewed the Application file and discovered a letter dated October 15, 1997 wherein the prior Owner notified the Department that, due to severe structural integrity problems identified in 1995, Building 26 was not repairable and was demolished. Building 26 contained eight efficiency units, and therefore, the number of total units decreased from 394 to 386. The number of buildings reported to the Department between Application and cost certification decreased from 41 to 40, and IRS Forms 8609 were issued for 40 buildings. The current owner explains that there are two buildings that are connected, which may account for the discrepancy between his records of 38 total buildings versus the LURA which reflects 41 total buildings. Staff recommends correcting the LURA to reflect that the Development includes 386 units and 40 residential buildings.

Finally, the owner has requested approval to convert four units from low income to market rates to target prospective tenants between 60% and 80% of AMGI. The owner states that his intent is to be able to make housing available for individuals who do not income qualify at the current restrictions. The owner proposes to leave the rental rates for these four units at the 60% level to be consistent with the other units in the Development.

The owner confirmed that the Development has not struggled to lease all of its units, and therefore, this request is not driven by financial reasons. Occupancy at the Development is currently at 98% based on the rent roll for the property dated September 30, 2015. Staff has reviewed annual financial information for the Development reported by the owner to the Department. This information reveals that the property has been performing very well since 2011. The reported Debt Coverage Ratio ("DCR") from 2011 through 2014 ranges from 1.25 to 2.83.

A public hearing was held on October 6th. The Owner reported that all comments received were positive and submitted copies of twelve letters and petitions with more than 170 names. All of the letters and the petitions speak in favor of the kids club.

Pursuant to 10 TAC §10.405(a)(5) and Texas Government Code §2306.6712(e), staff must consider whether changes would have resulted in selection or threshold criteria that would have resulted in scoring changes. Staff has reviewed the original application against this amendment request and has concluded that the proposed changes would not have affected the award.

Staff recommends approval of the owner's request to remove unit 2002 as a residential unit to allow its continued non-residential use as a community center for after school enrichment programs to be consistent with the recommendation from the 2015 Agreed Final Order. Staff also recommends amending the LURA to reflect a total of 385 units in 40 residential buildings.

Staff recommends denial of the additional request by the owner to convert four low income units to income target prospective tenants with incomes between 60% and 80% of AMGI since the Owner did not provide satisfactory economic justification to do so.

From: [Clark Willingham](#)
To: [Rosalio Banuelos](#); [Raquel Morales](#); [Ysella Kaseman](#)
Cc: ["Rick Mabus"](#); ["Barrett Willingham"](#); tim@willowpondapts.com
Subject: Willow Pond LURA Amendment
Date: Monday, November 16, 2015 3:20:03 PM

Rosalio- This email will confirm last week's telephone conference that Willow Pond is withdrawing the request to allow one of our apartments to be used as a counseling room. The Nexus program that previously demanded the unit as a part of their HUD contract for 30 apartments will terminate November 30, 2015. A similar new HUD funded program operated by the Housing Crisis Center has indicated that they will not need a unit for their counseling services.

We will attend the Board meeting in Austin on December 17, 2015. We look forward to the opportunity to explain why we feel we should be allowed to keep the Kids Club. We also still wish to have the affordable standard raised to 80% on four units to allow minority role models to live at Willow Pond. And we still wish to have the LURA correctly state that we have 386 units in 38 buildings.

If you need further information prior to the Board meeting please let me know.

Willow Pond Apartments

WPA Investment Group, Ltd.

Clark S. Willingham, President

Willow Pond Partners, LLC,

the general partner

6003 Abrams Road, Leasing Office

Dallas, Texas 75231-8064

214-525-3940 / 214-525-3942(FAX) / 214-533-5103(Cell)

clark@willowpondapts.com www.WillowPondApts.com

WPA Investment Group, Ltd.
WILLOW POND APARTMENTS
6003 Abrams Road
Dallas, Texas 75231
214.525-3940

September 18, 2015

Mr. Rosalio Banuelos
Texas Department of Housing & Community Affairs
PO Box 13941
Austin, Texas 78711

Re: Willow Pond Apartments LURA Amendment

Dear Mr. Banuelos:

The Willow Pond Apartment Complex would like to make the following amendments to our existing LURA:

1. Remove Unit 2002 from the units subject to the LURA restrictions

- A. Reason for Change:
 - a. We would like to continue to use Unit 2002 as the Kids Club, for after school enrichment programs, and as a Community Center.
- B. Benefits of the Change:
 - a. We have had ongoing programs for our children at Willow Pond. This requested change will allow us to continue and hopefully expand those programs.
- C. Financial Impacts of Change:
 - a. The requested change will DECREASE the owner's income from operating Willow Pond. We charge rent of \$10.00 per month rather than the standard rent for that unit of \$1029.00.

2. Remove one additional undesignated unit from the number of units subject to the LURA restrictions

- D. Reason for Change:
 - a. We would like management to have the flexibility to use one unit for a counseling room in conjunction with various state and federal rehabilitation programs such as NEXUS.
- E. Benefits of the Change:
 - a. We are also home to several state and federal programs that operate daily counseling programs which can be improved with actual spaces dedicated to them. It is not appropriate to house these programs in the same facility as the Kids Club.
- F. Financial Impacts of Change:
 - a. The requested changes will DECREASE the owner's income from operating Willow Pond.

3. Reduce the number of units subject to the LURA income restrictions from 100% to 99% (4 units)

G. Reason for Change:

- a. We would also like to make housing of "Role Models" such as teachers, nurses, firemen and police officers available to individuals who do not exceed 80% of the median income rather than 60%.

H. Benefits of the Change:

- a. Having minority Role Models living in the community would be a tremendous boost. We have been forced to turn such individuals away because they slightly exceed the 60% income cap.

I. Financial Impacts of Change:

- a. The requested changes will have NO IMPACT on the owner's income from operating Willow Pond. Rental rates for "Role Model" units will be the same as for the other units in the complex
- b. The relaxation of the 60% requirement is all that would change for these Role Model units.

4. Correct the number of units and buildings at Willow Pond.

A. Reason for Change:

- a. The current documents list 394 units in 41 buildings. The actual numbers are 386 units in 38 buildings. There have never been 41 buildings; two of the buildings are connected which accounts for part of the discrepancy, but the 41st building and its 8 units was apparently never constructed. TDHCA has always treated the property as 38 buildings comprising 386 units.

B. Benefits of Change:

- a. The legal document would be correct going forward.

C. Financial Impacts of Change:

- a. None.

We strongly feel these changes benefit our affordable housing community and appreciate the opportunity to apply for this amendment to our existing LURA. Our required \$2,500.00 application fee to initiate this amendment has already been paid. Please feel free to call me personally on my cell phone (214 533-5103) with any questions or suggestions.

Yours very truly,
WPA Investment Group, Ltd.



By: Clark S. Willingham, President
Willow Pond partners, LLC, general partner

CC; Ms. Ysella Kaseman via email

DALLAS/GLEN HILLS APTS. L.P.

6008 ABRAMS ROAD DALLAS, TEXAS 75231

October 15, 1997

Texas Department of Housing
and Community Affairs
507 Sabine Street
Austin, Texas 78711

Dear Sirs:

Please be advised that as part of our building maintenance and inspection program our building 26 (your number TX94-00082) was inspected in 1995 and it was noted that severe structural integrity problems existed. After careful review and consultation with construction professionals it was determined that the building was not repairable. Therefore, the building was demolished.

Please note, the demolition of the building resulted in the loss of 8 units. This reduces the number of tax credit units from 394 to 386. All of the units in the building were efficiencies.

Sincerely,



Mark D. MacFarlane
Manager

5b

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action regarding a Placed in Service deadline extension for a Development pursuant to the *Force Majeure* provision in §11.6(5) of the 2015 Qualified Allocation Plan for Emma Finke Villas (HTC # 13119).

RECOMMENDED ACTION

WHEREAS, Emma Finke Villas was allocated \$391,709 in 9% Housing Tax Credits in 2013 for the rehabilitation of 76 multifamily units in Beeville;

WHEREAS, the Development Owner is required by the Carryover Allocation Agreement to place all Units in service no later than December 31, 2015, and required by Internal Revenue Code (“IRC”) §42(h)(1) to place each building in service by no later than December 31, 2015;

WHEREAS, the Owner submitted a letter to the Department on September 22, 2015 to request permission to return the 9% Housing Tax Credits and reallocate the credits separately from the current year’s tax credit allocation pursuant to the *Force Majeure* provision in §11.6(5) of the 2015 Qualified Allocation Plan;

WHEREAS, the Owner has indicated that delays initially occurred during the loan application process with USDA RD in relation to TDHCA HOME Loan Commitment issuance;

WHEREAS, the Owner has indicated that Building 4 was vandalized, set on fire, and subsequently destroyed on February 17, 2015 which delayed construction progress during the months of March, April, and May 2015, and has created overall delays in Development completion such that the Development may not be able to meet its December 31, 2015, deadline to place each building in service;

WHEREAS, the Owner has indicated excessive rainfall delayed construction progress by an aggregate of sixty-one days between January and June 2015, which has created additional delays in Development completion such that the Development may not be able to meet its December 31, 2015, deadline to place each building in service;

WHEREAS, the Owner is now requesting permission to return the Housing Tax Credits citing *Force Majeure* caused by sudden and unforeseen circumstances outside the control of the Development Owner, including vandalism caused by fire and significant and unusual rainfall; and

WHEREAS, under 10 TAC §10.405(d), staff has determined that Board approval is warranted based on the extenuating circumstances in the Owner’s request;

NOW, therefore, it is hereby

RESOLVED, that the requested extension is approved and the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Emma Finke Villas is located in Beeville and was awarded \$391,709 in annual housing tax credits in 2013 under the 9% Housing Tax Credit program. The property consists of 16 buildings containing a total of 76 units restricted at or below 60% of AMI. The application proposes complete rehabilitation with demolition to the interior studs resulting in ADA accessibility, washer and dryers, and changes to the exterior elevations. Units will be renovated to include new electrical wiring, plumbing, water meters, insulation, drywall, new doors, and new appliances. The Owner, TX Kennedy Apartments, Ltd. and its General Partner, TX Kennedy Apartments I, LLC, are owned and managed by The City of Beeville Housing Authority, a non-profit corporation. The Special Limited Partner, Texas Kennedy Apartments II, LLC, and Co-Developers are owned by Adrian Iglesias and Rick Deyoe.

The Application was underwritten in July 2013, received a Commitment Notice in October 2013, and executed the Carryover Allocation Agreement in December 2013. In addition to the 9% Housing Tax Credits, the development is financed by two USDA RD loans, a TDHCA HOME loan, and a conventional loan. The Owner reports that delays originated during the loan application process for the USDA RD 515 loan transfer and the USDA RD 538 loan programs. The Owner states that USDA would not process the loan applications until the TDHCA HOME loan commitment was executed. However, a written account of these delays occurred between the Department's Multifamily Loan Program Staff and USDA Staff in March and April of 2014; whereby, USDA staff indicated that applications could be submitted without an executed loan commitment, and would be conditioned as such prior to closing.

The HOME Commitment was applied for on November 19, 2013, and TDHCA Board approval was anticipated to occur at the January 23, 2014, meeting; however, the Commitment was tabled and subsequently approved at the March 6, 2014, Board meeting and issued on April 16, 2014. The application for the USDA RD 515 Loan Transfer was submitted two days later on April 18, 2014, and after further delays with USDA ultimately closed on December 9, 2014. The residents of Phase I were relocated between December 9, 2014, and January 12, 2015. The Construction Contract was executed on November 20, 2014, and the Notice of Commencement was issued on January 12, 2015.

The Department approved the Owner's request to extend the deadline for submission of the 10% Test documentation from July 1, 2014, to October 1, 2014, and a subsequent extension to December 16, 2014. According to the Owner the extensions were necessary due to delays with USDA loan transfer and closing processes.

Then on September 22, 2015, the Owner submitted a letter to the Department requesting an extension to the date the Owner is required to place each building and unit in service in accordance with IRC §42(h)(1) and the Development's Carryover Allocation Agreement, respectively. The Owner is seeking the relief under the *Force Majeure* provision in §11.6(5) of the 2015 Qualified Allocation Plan and requests the returned credits to be reallocated separately from the current year's tax credit allocation.

According to the Owner, several months of construction progress was lost between March and June 2015 due to the vandalism and fire which destroyed Building 4 on February 17, 2015. The subsequent lengthy legal, insurance, structural investigations, and administrative procedures related to re-permitting, and reconstruction activities were delayed until June 15, 2015. In addition to the fire, significant and unusual rainfall occurred between January 12, 2015, and June 30, 2015, which exceeded the past average rainfall by 15.99 inches in Bee County, delaying construction progress by an aggregate of 61 days during the framing and dry-in construction activities. The request included a Fire Incident Report (Exhibit A) prepared by the Development Site Superintendent and a daily rainfall accumulation chart (Exhibit B) for the aforementioned construction period. Staff requested additional supporting documentation and the Owner submitted the following documents on October 13, 2015: State Fire Marshall's Investigation Report, Liability Insurance Statement of Loss, Notice of Commencement, Daily Construction Site Report 2/18/2015, and additional rainfall data. On November 6, 2015, the Owner submitted a rain delay report prepared by the site superintendent which provided a chronology of the significant and unusual weather events which delayed construction activities. Furthermore, the Owner reports that the rehabilitation activities required significant dry-in periods for each building which were hindered by the weather events.

The Owner has submitted and the Department has reviewed the Construction Status Reports required under Subchapter E, 10 TAC §10.402(h). In all a total of eight Construction Status Reports have been submitted for this Development, all consistently reflecting an anticipated construction completion date of March 2016 and opining that this date is achievable. There was no mention of rainfall related delays within the third party reports submitted to the Department.

Furthermore, staff reviewed the Construction Contract executed on November 20, 2014 which indicated a 420-day construction period, and with the Notice of Commencement being issued on January 12, 2015, the anticipated completion date has always been estimated to be achieved in March of 2016. Staff believes that the need for a placed in service extension request was reasonably foreseeable in January of 2015. However, the crux of this request for an extension is related to the *Force Majeure* provision of the 2015 QAP §11.6(5) which require that *Force Majeure* events must make construction activity impossible or materially impede its progress. The State of Texas received significant and unusual rainfall in certain areas throughout the year; however, Bee County, where the development site is located, was not identified as a declared disaster area as a result of flooding. The documentation provided by the Owner to support delays caused by significant or unusual rainfall was daily rainfall data throughout the construction period sourced from the US Climate Data website and the rain delay report prepared by the site superintendent. It should be reiterated that the third party construction inspection reports do not mention any weather related delays and requested updated construction schedules on several occasions that appear to have not been provided. The vandalism and fire of Building 4 undoubtedly resulted in construction delays from February 18, 2015, through April 10, 2015, when the Structural Engineer approved the slab of Building 4 for new construction activities and rough carpentry framing was underway as reported by the third-party inspector within a report dated June 15, 2015.

On October 13, 2015 the Owner submitted a letter indicating optimism in achieving the required placed in service date, and outlining a "basic mitigation plan" consisting of the supplementation of every subcontractor on site and condensing the construction schedule. However, the Owner also submitted a building turnover schedule which indicates that Buildings 8 through 15 will not meet the placed in service date of December 31, 2015. The building turnover schedule indicates that all buildings will place in service on or before the first week of February 2016. Staff remains concerned that the placed in service deadline is not achievable due to reasonably foreseeable circumstances related to delays in obtaining financing in late

2014 and early 2015, and the delays resulting from *Force Majeure* events served only to exacerbate the already delayed construction schedule.

Staff recommends that the credits be returned and reallocated with conditions and a new Carryover Allocation Agreement requiring that all units in all buildings be placed in service on or before March 7, 2016, which is consistent with the Construction Contract timeline of 420 days from the date of the Notice of Commencement. Prior to the execution of a new Carryover Agreement the Owner shall provide to the Department for review and acceptance an updated construction schedule, building turnover schedule, and plan of action to meet the extended placed in service deadline under these conditions. Lastly, the Department's Real Estate Analysis Division must provide an affirmative determination that the development will remain financially viable pursuant to the *Force Majeure* provision of §11.6(5) of the 2015 QAP.

Extension requests are normally considered under the Uniform Multifamily Rules, Subchapter E, 10 TAC § 10.405(d); however, extensions are only considered in this section if the original deadline associated with carryover, the 10 Percent Test, or cost certification requirements will not be met. The provisions in the Rule do not specifically address extensions to the Placed in Service deadline and the Department's Carryover Allocation Agreement states that no extension of the deadline to Place in Service can be made. As a result, staff has determined in accordance with provisions in 10 TAC § 10.405(d), that the Owner's request warrants Board approval due to extenuating circumstances stated in the request and summarized herein.

Staff recommends approval of the extension request with conditions.



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September 22, 2015

Mr. Tom Gouris
Deputy Executive Director for Housing Programs
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Emma Finke Villas in Bee County, Texas (the "**Development**")
TDHCA No. 13119

Dear Mr. Gouris:

Our firm represents TX Kennedy Apartments, Ltd. ("**Owner**"), and this letter is sent on its behalf. Owner received an allocation of low-income housing tax credits ("**Tax Credits**") from the Texas Department of Housing and Community Affairs ("**TDHCA**") for the construction of the Development. Pursuant to Section 42(h)(1)(E)(i) of the Internal Revenue Code, Owner is required to place the Development in service by December 31, 2015. Unfortunately, due to the following matters, construction of the Project was significantly delayed and Owner may not be able to place the Development in service prior to the end of the current year:

1. In addition to the Tax Credits, financing for the Development consists of a USDA RD 515 Loan Transfer, a USDA RD 538 Loan, a TDHCA HOME Loan, and conventional financing from CommunityBank of Texas, N.A.. USDA would not process its loans until Owner was in receipt of the HOME Loan Commitment. Owner applied for the HOME Loan November 19, 2013. TDHCA Board approval was initially scheduled for the January 2014 Board meeting, but due to scheduling obstacles, the Commitment was tabled and was not approved until March 6, 2014, and issued April 16, 2014. The transfer application for the USDA RD 515 Loan Transfer was submitted two (2) days later on April 18, 2014. After a long and arduous USDA process, the USDA loans and the other financing closed December 9, 2014.

September 22, 2015

2. The tenants of Phase I were relocated between December 9, 2014, and January 12, 2015, pursuant to the terms of the Uniform Relocation Act.
3. The Notice of Commencement was issued on January 12, 2015 and construction began.
4. Building 4 of the Development was vandalized, set on fire, and virtually burned to the ground on February 17, 2015. Attached as Exhibit A is a copy of the Fire Incident Report prepared by the Site Superintendent. Due to lengthy legal, insurance, and structural investigations, administrative procedures, and re-permitting, reconstruction of Building 4 was delayed until June 15, 2015.
5. In addition to the fire, excessive rainfall had an adverse effect on the Development construction schedule. Between January 12, 2015 and July 31, 2015, rainfall in the area exceeded the past averages by 15.99 inches, which delayed construction by an aggregate of 61 days during the Development's framing and dry-in operations. See Exhibit B attached hereto for the daily rainfall breakdown.

Due to the delays described above, we request that Owner be permitted to return the Tax Credits and that TDHCA reallocate the Tax Credits to Owner in the current year pursuant to the "Force Majeure" provisions in Section 11.6(5) of the 2015 Qualified Allocation Plan. We believe Owner and the Development meet all of the requirements of Section 11.6(5), in that:

1. The delays in construction were a direct result of vandalism and significant weather events.
2. The delays were not caused by willful negligence or acts of Owner, any Affiliate, or any other Related Party.
3. Evidence of the fire and excessive rainfall are attached as Exhibit A and Exhibit B.
4. As described in Exhibit A, steps were taken to minimize the damage that may be caused by vandalism and fire, including (a) not permitting anyone on the job without their personal protective equipment; (b) fencing the job site with construction safety fencing, and posting safety and "private property/keep out" signs; (c) limiting electrical power usage during demolition; (d) securing cut wires as described in Exhibit A; and (e) prohibiting smoking except in a designated area that is not located near work areas.
5. Owner substantially fulfilled all of its obligations that were not impeded by the weather events; the Development was properly insured; and TDHCA was notified of the Force Majeure events.

6. The Force Majeure events have prevented Owner from meeting the placement in service requirements of the original allocation.
7. The requested current year Carryover Agreement would allocate the same amount of Tax Credits as those that would be returned.
8. The Development continues to be financially viable.

Please feel free to contact me with any questions. We sincerely appreciate your assistance with this matter.

Respectfully submitted,



Richard D. Morrow

cc: Adrian Iglesias
Rick J. Deyoe

Exhibit A

(attached)

Emma Finke Fire Incident Report

February 18, 2015

Re: Emma Finke Fire Incident Report for Building 4. 1101 E. Kennedy St. Beeville, TX. 78102

BY: Eddie Salazar, Site Superintendent

The following is an accounting of details regarding the fire on the night of 2/17/15

On February 17, 2015 at 6:10 pm our job site gates were closed and secure at 7:17 pm. I left the site at the end of the day. Robert Howe, Senior Project Manager, called me last night and reported that there was a fire at the Emma Finke project. I arrived to the job site at 7:23 pm and was escorted by the Beeville Fire department into the site for investigation. At this time I spoke to Beeville's Fire Chief Donny Morris and Assistant Fire Chief Bill Burris. The Fire Chief informed me at that time that they arrived to the scene of the incident at 6:45 pm which at that time building 4 was flame up and almost completely burned to the ground. They also commented that when they arrived on site they were informed by an onlooker that two kids were running away from the site just before the fire. Realtex can not confirm this, but feels it necessary to enter into this incident report. AEP was then called in to cut lose the service power wire from the building. In AEP's resulting investigation they commented that their digital meters were open and main breakers were off. It is Realtex's understanding from our interaction with AEP that this scenario would make it impossible for AEP to be the cause of the fire incident. Before I left the site around 9:45 PM the fire chief and I made sure to search the job for any evidence or any potential risk factors to the remainder of the structures on site.

This morning (2/18/15) at 8:15 am Beeville's Fire Department, Police Department, and AEP representatives arrived at the job site to continue their investigation. Mr. Bill Burris (Assistant Fire Chief) provided State of Texas Fire Investigator Chris' contact (361-790-0182) to me. This information was also provide to Debbie Reinhard (Realtex Property Manager) as requested by her as she will contact State Fire Investigator for ongoing investigation as she was also present last night at the job site. Ms. Reinhard will advise us when the State Fire Investigator will be at the job site for their investigation.

I was also questioned by AEP and Police department and asked what safety procedures were in place the day before and day of incident. My response can be summed up as follows: for Realtex Construction safety is a huge concern and we do not allow anybody in the job site without their personal protective equipment without exception. Our job site is fenced in with construction safety fence and with safety signs as well as private property keep out, under no circumstances is unauthorized personnel allowed in the construction area. I also informed AEP that before we completed our demo work our demo crew made sure all electrical power to the building was turned off. To further ensure this, my instruction were that when the main electrical wires were cut during demo they were to be secured with tape as pictured below to prevent incident. As a further precaution, our subcontractors made sure not to use motor or

electrical tools (with the exception of electrical reciprocating saw) for cutting of plumbing pipes. All electrical wire were cut with wire cutters. I was asked if Realtex allows workers to smoke inside the building, the answer to which is our policy is to insist on a non-smoking job site, smoking must be contained to designated away from all working areas.

Additional information can be provided as requested as soon as the State Fire Investigator has completed the investigation report. In addition Realtex is immediately taking the added precaution of starting a night shift security guard to monitor against unauthorized personnel entering the jobsite.

Please see attached pictures of incident:



Building Four (4) Fire debris.



Building Four (4) Fire debris and electrical meter bank.

Exhibit B
(attached)

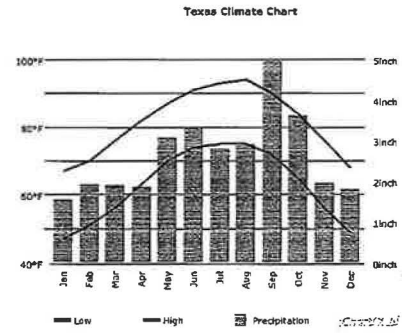
Monthly	Daily	History	Geo & Map	Weather Forecast		
Texas °C °F						
	Jan	Feb	Mar	Apr	May	Jun
Average high in °F:	67	70	76	82	87	91
Average low in °F:	47	51	56	63	70	74
Av. precipitation in inch:	1.54	1.93	1.89	1.85	3.07	3.35
Days with precipitation:	-	-	-	-	-	-
Hours of sunshine:	-	-	-	-	-	-
	Jul	Aug	Sep	Oct	Nov	Dec
Average high in °F:	93	94	90	84	76	68
Average low in °F:	75	75	72	65	56	49
Av. precipitation in inch:	2.8	2.91	4.96	3.62	1.97	1.81
Days with precipitation:	-	-	-	-	-	-
Hours of sunshine:	-	-	-	-	-	-

weather averages

Annual high temperature:	81.5°F
Annual low temperature:	62.8°F
Average temperature:	72.15°F
Average annual precipitation - rainfall:	31.7 inch
Days per year with precipitation - rainfall:	-
Annual hours of sunshine:	-
Av. annual snowfall:	-

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January 2015

Day	High (°F)	Low (°F)	Precip. (inch)	Snow (inch)	Snow depth (inch)
1 Jan 2015	45.0	41.0	0.01	0.00	0.00
2 Jan 2015	50.0	43.0	0.19	0.00	0.00
3 Jan 2015	59.0	43.0	T	0.00	0.00
4 Jan 2015	60.1	39.9	0.00	0.00	0.00
5 Jan 2015	54.0	36.0	0.00	0.00	0.00
6 Jan 2015	66.9	37.0	0.00	0.00	0.00
7 Jan 2015	66.0	43.0	0.00	0.00	0.00
8 Jan 2015	45.0	35.1	0.00	0.00	0.00
9 Jan 2015	44.1	37.0	0.08	0.00	0.00
10 Jan 2015	39.9	35.1	0.58	0.00	0.00
11 Jan 2015	53.1	39.0	0.02	0.00	0.00
12 Jan 2015	51.1	44.1	0.00	0.00	0.00
13 Jan 2015	46.0	42.1	T	0.00	0.00
14 Jan 2015	46.0	43.0	0.01	0.00	0.00
15 Jan 2015	54.0	39.0	0.01	0.00	0.00
16 Jan 2015	62.1	37.0	0.00	0.00	0.00
17 Jan 2015	69.1	39.9	0.00	0.00	0.00
18 Jan 2015	69.1	48.9	0.00	0.00	0.00
19 Jan 2015	73.9	45.0	0.00	0.00	0.00
20 Jan 2015	79.0	43.0	0.00	0.00	0.00
21 Jan 2015	73.9	60.1	0.02	0.00	0.00
22 Jan 2015	71.1	46.0	0.97	-	0.00
23 Jan 2015	50.0	39.9	0.10	-	0.00
24 Jan 2015	63.0	35.1	0.00	0.00	0.00
25 Jan 2015	71.1	39.0	0.00	0.00	0.00
26 Jan 2015	73.0	41.0	0.00	0.00	0.00
27 Jan 2015	82.0	45.0	0.00	0.00	0.00
28 Jan 2015	80.1	44.1	0.00	0.00	0.00
29 Jan 2015	77.0	52.0	0.00	0.00	0.00
30 Jan 2015	66.0	55.0	0.00	0.00	0.00
31 Jan 2015	73.9	57.9	0.05	0.00	0.00

T = Trace

Average high temperature:	61.8°F (normal: 67°F)
Average low temperature:	42.8°F (normal: 47°F)
Average temperature:	52.3°F (normal: 57°F)
Total Precipitation:	2.04 inch (normal: 1.54 inch)
Total snowfall:	0 inch
Highest max temperature:	82.0°F
Lowest max temperature:	39.9°F
Highest min temperature:	60.1°F
Lowest min temperature:	35.1°F

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Temperature - Precipitation - Sunshine - Snowfall

Home United States Texas Enter a location

Monthly Daily History Geo & Map Weather Forecast

Select year:

February

february 2015

Day	High (°F)	Low (°F)	Precip. (Inch)	Snow (Inch)	Snow depth (Inch)
1 Feb 2015	81.0	55.0	0.00	0.00	0.00
2 Feb 2015	59.0	45.0	T	0.00	0.00
3 Feb 2015	48.0	44.1	0.74	0.00	0.00
4 Feb 2015	61.0	46.9	0.05	0.00	0.00
5 Feb 2015	57.9	48.0	T	0.00	0.00
6 Feb 2015	57.0	45.0	0.00	0.00	0.00
7 Feb 2015	71.1	46.0	0.00	0.00	0.00
8 Feb 2015	82.9	55.0	0.00	0.00	0.00
9 Feb 2015	82.9	54.0	0.00	0.00	0.00
10 Feb 2015	82.0	46.9	0.00	0.00	0.00
11 Feb 2015	77.0	48.9	0.00	0.00	0.00
12 Feb 2015	71.1	54.0	0.00	0.00	0.00
13 Feb 2015	65.1	53.1	0.00	0.00	0.00
14 Feb 2015	75.9	51.1	0.00	0.00	0.00
15 Feb 2015	75.0	60.1	0.01	0.00	0.00
16 Feb 2015	77.0	42.1	T	0.00	0.00
17 Feb 2015	57.0	39.0	0.07	0.00	0.00
18 Feb 2015	64.9	32.0	0.00	0.00	0.00
19 Feb 2015	72.0	45.0	0.00	0.00	0.00
20 Feb 2015	77.0	61.0	0.00	0.00	0.00
21 Feb 2015	80.1	63.0	0.00	0.00	0.00
22 Feb 2015	77.0	51.1	T	0.00	0.00
23 Feb 2015	51.1	37.0	0.06	0.00	0.00
24 Feb 2015	41.0	36.0	0.01	0.00	0.00
25 Feb 2015	66.0	39.0	0.08	0.00	0.00
26 Feb 2015	66.9	39.0	0.00	0.00	0.00
27 Feb 2015	55.0	39.9	T	0.00	0.00
28 Feb 2015	55.0	45.0	0.39	0.00	0.00


T = Trace

Average High temperature:	67.5°F (normal: 70°F)
Average low temperature:	47.3°F (normal: 51°F)
Average temperature:	57.4°F (normal: 60°F)
Total Precipitation:	1.41 inch (normal: 1.93 inch)
Total snowfall:	0 inch
Highest max temperature:	82.9°F
Lowest max temperature:	41.0°F
Highest min temperature:	63.0°F
Lowest min temperature:	32.0°F

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Monthly Daily History Geo & Map Weather Forecast

Select year: ▼

March ▼

march 2015

march 2015					
Day	High (°F)	Low (°F)	Precip. (Inch)	Snow (Inch)	Snow depth (Inch)
1 mar 2015	52.0	46.9	0.03	0.00	0.00
2 mar 2015	54.0	46.9	0.02	0.00	0.00
3 mar 2015	68.0	53.1	0.01	0.00	0.00
4 mar 2015	78.1	45.0	T	0.00	0.00
5 mar 2015	54.0	37.9	T	0.00	0.00
6 mar 2015	51.1	37.9	0.00	0.00	0.00
7 mar 2015	60.1	46.0	0.00	0.00	0.00
8 mar 2015	57.0	53.1	1.04	0.00	0.00
9 mar 2015	64.0	55.9	2.15	0.00	0.00
10 mar 2015	68.0	55.0	0.00	0.00	0.00
11 mar 2015	59.0	55.0	0.08	0.00	0.00
12 mar 2015	73.9	53.1	0.02	0.00	0.00
13 mar 2015	77.0	53.1	0.00	0.00	0.00
14 mar 2015	79.0	57.0	0.00	0.00	0.00
15 mar 2015	71.1	61.0	0.07	0.00	0.00
16 mar 2015	58.0	60.1	0.04	0.00	0.00
17 mar 2015	75.0	64.0	0.06	0.00	0.00
18 mar 2015	73.9	52.1	1.83	0.00	0.00
19 mar 2015	79.0	68.0	T	0.00	0.00
20 mar 2015	79.0	70.0	T	0.00	0.00
21 mar 2015	72.0	63.0	0.73	0.00	0.00
22 mar 2015	75.0	62.1	T	0.00	0.00
23 mar 2015	75.9	57.9	0.00	0.00	0.00
24 mar 2015	78.1	61.0	0.00	0.00	0.00
25 mar 2015	77.0	62.1	0.01	0.00	0.00
26 mar 2015	75.0	59.0	0.04	0.00	0.00
27 mar 2015	80.1	48.0	0.00	0.00	0.00
28 mar 2015	80.1	53.1	0.00	0.00	0.00
29 mar 2015	79.0	50.1	0.00	0.00	0.00
30 mar 2015	80.1	66.0	0.00	0.00	0.00
31 mar 2015	80.1	64.9	0.00	0.00	0.00


T = Trace

Average high temperature:	70.8°F (normal: 76°F)
Average low temperature:	56.1°F (normal: 56°F)
Average temperature:	63.45°F (normal: 66°F)
Total Precipitation:	6.13 inch (normal: 1.89 inch)
Total snowfall:	0 inch
Highest max temperature:	80.1°F
Lowest max temperature:	51.1°F
Highest min temperature:	70.0°F
Lowest min temperature:	37.9°F

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Select year:

April

april 2015

Day	High (°F)	Low (°F)	Precip. (Inch)	Snow (Inch)	Snow depth (Inch)
1 apr 2015	81.0	69.1	T	0.00	0.00
2 apr 2015	82.0	70.0	0.00	0.00	0.00
3 apr 2015	82.0	72.0	0.00	0.00	0.00
4 apr 2015	73.9	64.0	0.08	0.00	0.00
5 apr 2015	82.0	64.9	0.04	0.00	0.00
6 apr 2015	81.0	71.1	0.00	0.00	0.00
7 apr 2015	84.9	71.1	0.00	0.00	0.00
8 apr 2015	84.0	73.0	0.00	0.00	0.00
9 apr 2015	84.0	72.0	T	0.00	0.00
10 apr 2015	77.0	66.9	0.13	0.00	0.00
11 apr 2015	77.0	68.0	0.13	0.00	0.00
12 apr 2015	82.0	68.0	0.44	0.00	0.00
13 apr 2015	82.9	66.0	0.29	0.00	0.00
14 apr 2015	78.1	64.0	0.92	0.00	0.00
15 apr 2015	75.0	68.0	T	0.00	0.00
16 apr 2015	82.9	69.1	T	0.00	0.00
17 apr 2015	82.9	68.0	1.89	0.00	0.00
18 apr 2015	75.0	66.0	0.59	0.00	0.00
19 apr 2015	82.9	66.9	0.00	0.00	0.00
20 apr 2015	75.9	63.0	T	0.00	0.00
21 apr 2015	77.0	61.0	T	0.00	0.00
22 apr 2015	77.0	72.0	1.59	0.00	0.00
23 apr 2015	84.9	73.5	0.00	0.00	0.00
24 apr 2015	84.0	73.9	0.22	0.00	0.00
25 apr 2015	81.0	73.0	0.01	0.00	0.00
26 apr 2015	82.0	75.0	0.01	0.00	0.00
27 apr 2015	90.0	73.0	0.00	0.00	0.00
28 apr 2015	77.0	60.1	0.02	0.00	0.00
29 apr 2015	75.0	54.0	0.00	0.00	0.00
30 apr 2015	81.0	54.0	0.00	0.00	0.00

T = Trace

Average high temperature:	80.5°F (normal: 82°F)
Average low temperature:	67.7°F (normal: 63°F)
Average temperature:	74.1°F (normal: 72°F)
Total Precipitation:	6.36 Inch (normal: 1.85 Inch)
Total snowfall:	0 Inch
Highest max temperature:	90.0°F
Lowest max temperature:	73.9°F
Highest min temperature:	75.0°F
Lowest min temperature:	54.0°F

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Home United States Texas

Enter a location

Monthly Daily History Geo & Map Weather Forecast

Select year:

May

may 2015


Day	may 2015				
	High (°F)	Low (°F)	Precip. (inch)	Snow (inch)	Snow depth (inch)
1 may 2015	81.0	57.9	0.00	0.00	0.00
2 may 2015	81.0	59.0	0.00	0.00	0.00
3 may 2015	82.0	64.9	0.22	0.00	0.00
4 may 2015	82.9	72.0	0.00	0.00	0.00
5 may 2015	82.9	72.0	T	0.00	0.00
6 may 2015	84.9	75.0	0.00	0.00	0.00
7 may 2015	82.9	77.0	0.00	0.00	0.00
8 may 2015	87.1	78.1	0.00	0.00	0.00
9 may 2015	87.1	77.0	0.00	0.00	0.00
10 may 2015	87.1	77.0	0.00	0.00	0.00
11 may 2015	84.9	73.0	0.25	0.00	0.00
12 may 2015	82.9	68.0	4.56	0.00	0.00
13 may 2015	82.0	71.1	1.41	0.00	0.00
14 may 2015	86.0	75.0	0.03	0.00	0.00
15 may 2015	81.0	70.0	1.65	0.00	0.00
16 may 2015	84.9	72.0	0.00	0.00	0.00
17 may 2015	84.9	78.1	0.00	0.00	0.00
18 may 2015	88.0	77.0	0.00	0.00	0.00
19 may 2015	86.0	78.1	0.00	0.00	0.00
20 may 2015	86.0	78.1	0.00	0.00	0.00
21 may 2015	84.0	72.0	4.56	0.00	0.00
22 may 2015	87.1	73.9	T	0.00	0.00
23 may 2015	86.0	78.1	T	0.00	0.00
24 may 2015	84.9	70.0	0.73	0.00	0.00
25 may 2015	86.0	75.0	T	0.00	0.00
26 may 2015	87.1	79.0	0.00	0.00	0.00
27 may 2015	88.0	77.0	0.00	0.00	0.00
28 may 2015	88.0	79.0	0.00	0.00	0.00
29 may 2015	88.0	66.9	0.76	0.00	0.00
30 may 2015	88.0	71.1	0.15	0.00	0.00
31 may 2015	87.1	71.1	0.00	0.00	0.00

T = Trace


Average high temperature:	85.2°F (normal: 87°F)
Average low temperature:	73.0°F (normal: 70°F)
Average temperature:	79.1°F (normal: 78°F)
Total Precipitation:	14.32 inch (normal: 3.07 inch)
Total snowfall:	0 inch
Highest max temperature:	88.0°F
Lowest max temperature:	81.0°F
Highest min temperature:	79.0°F
Lowest min temperature:	57.9°F

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Monthly Daily History Geo & Map Weather Forecast

Select year: ▾

June ▾

June 2015

Day	June 2015				
	High (°F)	Low (°F)	Precip. (Inch)	Snow (Inch)	Snow depth (Inch)
1 Jun 2015	87.1	70.0	0.00	0.00	0.00
2 Jun 2015	88.0	70.0	0.00	0.00	0.00
3 Jun 2015	88.0	73.0	T	0.00	0.00
4 Jun 2015	89.1	73.0	T	0.00	0.00
5 Jun 2015	88.0	73.9	0.05	0.00	0.00
6 Jun 2015	91.0	72.0	T	0.00	0.00
7 Jun 2015	90.0	73.0	0.00	0.00	0.00
8 Jun 2015	91.0	73.0	0.00	0.00	0.00
9 Jun 2015	93.0	73.0	0.00	0.00	0.00
10 Jun 2015	91.9	73.0	0.00	0.00	0.00
11 Jun 2015	91.0	75.0	T	0.00	0.00
12 Jun 2015	91.9	77.0	0.00	0.00	0.00
13 Jun 2015	91.9	77.0	T	0.00	0.00
14 Jun 2015	91.0	79.0	0.02	0.00	0.00
15 Jun 2015	89.1	78.1	0.40	0.00	0.00
16 Jun 2015	90.0	77.0	T	0.00	0.00
17 Jun 2015	89.1	77.0	0.66	0.00	0.00
18 Jun 2015	84.8	75.9	0.24	0.00	0.00
19 Jun 2015	90.0	75.9	0.00	0.00	0.00
20 Jun 2015	90.0	75.9	0.11	0.00	0.00
21 Jun 2015	90.0	80.1	0.00	0.00	0.00
22 Jun 2015	89.1	80.1	T	0.00	0.00
23 Jun 2015	91.0	78.1	0.00	0.00	0.00
24 Jun 2015	91.0	77.0	T	0.00	0.00
25 Jun 2015	91.0	75.9	0.10	0.00	0.00
26 Jun 2015	91.0	75.9	0.00	0.00	0.00
27 Jun 2015	93.0	75.0	0.00	0.00	0.00
28 Jun 2015	91.0	75.0	0.00	0.00	0.00
29 Jun 2015	91.0	77.0	T	0.00	0.00
30 Jun 2015	89.1	75.9	0.05	0.00	0.00


T = Trace

Average high temperature:	90.1°F (normal: 91°F)
Average low temperature:	75.4°F (normal: 74°F)
Average temperature:	82.75°F (normal: 82°F)
Total Precipitation:	1.63 inch (normal: 3.35 inch)
Total snowfall:	0 inch
Highest max temperature:	93.0°F
Lowest max temperature:	84.0°F
Highest min temperature:	80.1°F
Lowest min temperature:	70.0°F

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Home United States Texas Enter a location

Monthly Daily History Geo & Map Weather Forecast

Select year: ▼

July ▼

July 2015

Day	July 2015				
	High (°F)	Low (°F)	Precip. (inch)	Snow (inch)	Snow depth (inch)
1 Jul 2015	86.0	73.0	0.57	0.00	0.00
2 Jul 2015	89.1	72.0	T	0.00	0.00
3 Jul 2015	91.0	75.9	0.00	0.00	0.00
4 Jul 2015	91.0	78.1	0.00	0.00	0.00
5 Jul 2015	91.0	77.0	0.00	0.00	0.00
6 Jul 2015	91.9	79.0	0.00	0.00	0.00
7 Jul 2015	93.0	80.1	0.00	0.00	0.00
8 Jul 2015	93.0	78.1	0.00	0.00	0.00
9 Jul 2015	92.0	78.1	0.00	0.00	0.00
10 Jul 2015	93.9	77.0	0.00	0.00	0.00
11 Jul 2015	93.9	73.9	0.00	0.00	0.00
12 Jul 2015	95.0	75.0	0.00	0.00	0.00
13 Jul 2015	96.1	75.0	0.00	0.00	0.00
14 Jul 2015	95.0	73.0	0.00	0.00	0.00
15 Jul 2015	95.0	73.9	0.00	0.00	0.00
16 Jul 2015	95.0	73.5	0.00	0.00	0.00
17 Jul 2015	96.1	75.9	0.00	0.00	0.00
18 Jul 2015	96.1	80.1	0.00	0.00	0.00
19 Jul 2015	96.1	79.0	0.00	0.00	0.00
20 Jul 2015	96.1	75.9	0.00	0.00	0.00
21 Jul 2015	95.0	77.0	0.00	0.00	0.00
22 Jul 2015	96.1	78.1	0.00	0.00	0.00
23 Jul 2015	96.1	79.0	0.00	0.00	0.00
24 Jul 2015	96.1	79.0	0.00	0.00	0.00
25 Jul 2015	97.0	75.0	0.00	0.00	0.00
26 Jul 2015	97.0	79.0	0.00	0.00	0.00
27 Jul 2015	96.1	78.1	0.00	0.00	0.00
28 Jul 2015	96.1	80.1	0.00	0.00	0.00
29 Jul 2015	97.0	77.0	0.00	0.00	0.00
30 Jul 2015	99.0	69.1	0.00	0.00	0.00
31 Jul 2015	100.9	75.9	0.62	0.00	0.00


T = Trace

Average high temperature:	94.6°F (normal: 93°F)
Average low temperature:	76.5°F (normal: 75°F)
Average temperature:	85.55°F (normal: 84°F)
Total Precipitation:	1.19 Inch (normal: 2.8 Inch)
Total snowfall:	0 inch
Highest max temperature:	100.9°F
Lowest max temperature:	86.0°F
Highest min temperature:	80.1°F
Lowest min temperature:	69.1°F


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BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under any of the Department's Program Rules 15093 Stonebridge at Childress in Childress, Texas

RECOMMENDED ACTION

WHEREAS, Stonebridge at Childress (#15093) received an award of Housing Tax Credits at the July 30, 2015, Board meeting, conditioned through the underwriting report on the receipt of certain documentation on or before the Carryover Documentation Delivery Date of November 2, 2015;

WHEREAS, the Applicant failed to provide the required documentation due on the Carryover Documentation Delivery Date and as a result the application was terminated on November 24, 2015;

WHEREAS, on November 25, 2015, the Applicant requested an extension of the Carryover Documentation Delivery Date until December 17, 2015, and implicit in this request was a waiver of the rule regarding the Carryover Documentation Delivery Date and an appeal of the termination issued on November 24, 2015;

WHEREAS the request for an extension was denied by the Executive Director on November 30, 2015, and no further action was taken or necessary regarding the appeal of termination or waiver of the rule;

WHEREAS, the Applicant timely filed an appeal to the Governing Board on December 1, 2015, of the Executive Director's denial; and

WHEREAS, based on the significant lapse of time without responsive action, staff recommends denial of the appeal;

NOW, therefore, it is hereby

RESOLVED, that the denial of the appeal of the request for a carryover extension and denial of termination request for Stonebridge at Childress (#15093) are hereby affirmed and the Commitment for the Housing Tax Credits is terminated.

BACKGROUND

The underwriting report published on July 15, 2015, for Stonebridge at Childress included a condition that required, "Statements from the lender and equity provider that they have performed a market study (including a statement of the level of review) and based on that study they intend to move forward with

processing their application(s)," be received and accepted by Carryover. The underwriting condition was based on concerns that the capture rates for certain unit types were reported to be as high as 333% in the Market Study provided by the Applicant and as high as 614% as calculated by the Underwriter. The underwriting report recommended that the HOME funds request included in the application be denied on the basis of the high risk to the Department's Direct Loan Program. The Underwriter recommended conditional approval of the Housing Tax Credits based on anecdotal market information that potentially provided mitigating factors for recommendation of the award of credits despite the numerical market data. Additionally, the affirmative recommendation by the Underwriter was based on a statement dated July 1, 2015, from the originally proposed equity provider that they would "engage our own study using a different methodology" than the market study provided at Application prior to moving forward with the processing of their application. This statement did not represent a review of the existing market study and therefore the condition was specifically phrased "performed a market study." The underwriting staff was seeking express confirmation from the lender and investor that they have independently determined that based on their understanding of the market they would not raise these concerns as a basis for not closing.

The Applicant was made aware of the Underwriter's market concerns and the reasoning for the condition at the time the Underwriter's report was issued. The requirement that the lender and equity partner would be performing an independent review of the market was a major underlying condition for the affirmative recommendation for the Housing Tax Credits. Upon publication of the underwriting report in July, the Applicant did not appeal the condition. The Commitment Notice for this Application was issued on August 18, 2015, and included a restatement of the condition requiring the market studies as described in the underwriting report. The executed Commitment Agreement was timely returned by the Applicant on September 17, 2015, without appeal of the condition.

The Carryover Agreement was issued on October 26 and returned on October 30, 2015, without any of the supporting Carryover Documentation or a request for extension. TDHCA staff contacted the Applicant on November 2, 2015, as a courtesy, to remind them of the additional documentation required. Later that same day on November 2, the Applicant provided a set of documents that they claim met all conditions. Staff disagrees.

Tab 7 of the Carryover package is the "Resolution of Conditions of the Commitment Notice" exhibit which instructs the Applicant to "state each condition in the Commitment Notice that is due at the time of Carryover." The Applicant properly listed another underwriting condition regarding revised source and uses and provided appropriate documentation, but failed to list or provide documentation responsive to the second underwriting condition regarding the new, required market study information.

Real Estate Analysis staff contacted the Applicant on November 6, 2015, regarding the omission of documentation addressing the condition and the Applicant provided a letter from the Lender later that day with substantially the same language as they had previously provided in the original Application. Obviously the condition required more or staff would have addressed the issue based on the application and refrained from adding the condition. A market study or statement that a new market study have been conducted and

reviewed was not provided by the Lender. On November 9, the Applicant provided a letter from a different equity provider stating that they would not be conducting a market study, but that they found the original market study acceptable.

On November 24, 2015, the Application was terminated under §10.402(f)(1) due to the Applicant's failure to provide the Carryover documentation related to the underwriting condition or request an extension prior to the Carryover deadline. Subsequently on November 25, 2015, the Applicant requested an extension of the Carryover deadline to December 17, 2015.

The basis and justification for the extension request related to unfortunate personal events that occurred shortly after the Commitment was executed. However, these events occurred two and a half months after publication of the underwriting report that described the market study condition.

The request for extension was denied on November 30, 2015, because §10.405(d) clearly states that Carryover extensions will not be granted a deadline later than December 1.

On December 1, 2015, counsel for the Applicant provided notice of appeal of both the termination notice and the denial of the extension. The letter includes statements that the Applicant believes they met the underwriting requirement with the letters provided on November 6 and November 9 despite neither the Lender nor equity partner providing a market study. Subsequent to those letters, more detailed letters were provided from the new equity provider explaining that organization's review of the existing Market Study, and a more detailed letter from the Lender stating that they would order a new market study with a plan to present it at the December 17, 2015, Board meeting. In addition to being over two weeks beyond the maximum deadline in the rule, supplying this critical market justification information at the Board meeting provides no reasonable opportunity for staff to review and validate any assumptions and provides an unfair advantage to this development in a competitive application process.

The Applicant has not timely met the conditions of the underwriting report, and they did not timely request extension of the Carryover deadline. When allowed additional time to provide the required documentation, they failed to meet the documentation requirement; therefore the Application was terminated. The extension request was not timely provided and did not establish adequate basis for extension. The most recent letters from the equity provider and Lender were received almost a month after the Carryover deadline, and the Market Study to be presented at the Board meeting of December 17, 2015 would be six weeks late. Therefore, staff recommends denial of the appeal of both the termination and the request for extension.

December 17, 2015

Application 15093

Stonebridge at Childress

Attachment

Underwriting Report



DEVELOPMENT IDENTIFICATION

TDHCA Application #: 15093 Program(s): 9% HTC/HOME

Stonebridge at Childress

Address/Location: 5 acres west of Hwy 62 behind the Tractor Supply

City: Childress County: Childress Zip: 79201

Population: General Program Set-Aside: General Area: Rural

Activity: New Construction Building Type: Garden (Up to 4-story) Region: 1

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
HOME Activity Funds	\$750,000	0.00%	40	40	\$0	0.00%	0	0	NA
LIHTC (Annual)	\$662,697				\$660,575				

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

HOME loan not recommended due to confluence of market concerns pursuant to 10 TAC §10.302(i)(4)(B). Should the Board approve the requested HOME loan, it should be structured in conformance with the HOME NOFA (30 year amortization, 30 year term at 3% interest).

CONDITIONS

- 1) Receipt and acceptance by Carryover:
 - a: Revised sources and uses schedule supporting sufficient interim construction financing with term sheet(s) from third-party sources of funding.
 - b: **Statements from the lender and equity provider indicating that they have performed a market study (including a statement of the level of review) and based on that study they intend to move forward with processing their application(s).**
- 2) Receipt and acceptance by 10% test of a comprehensive noise assessment to determine the requirements for the proposed development to satisfy HUD guidelines, and documentation that any subsequent recommendations have been incorporated into the development plans.
- 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 may be warranted.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	5
50% of AMI	50% of AMI	12
60% of AMI	60% of AMI	29

TDHCA SET-ASIDES for TDHCA HOME LURA*		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	0
60% of AMFI	High HOME	0

*HOME LURA not required as long as HOME loan not recommended.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Strong feasibility indicators as underwritten
▫	Developer experience
▫	Architectural design should compete well in market
▫	

WEAKNESSES/RISKS	
▫	Limited comparable property in PMA to adequately assess rental rate risk
▫	Ingress/egress limited to single secluded entrance off Highway 62
▫	High Gross Capture rates and individual unit capture rates on 60% AMI units
▫	Large income eligibility gaps

DEVELOPMENT TEAM

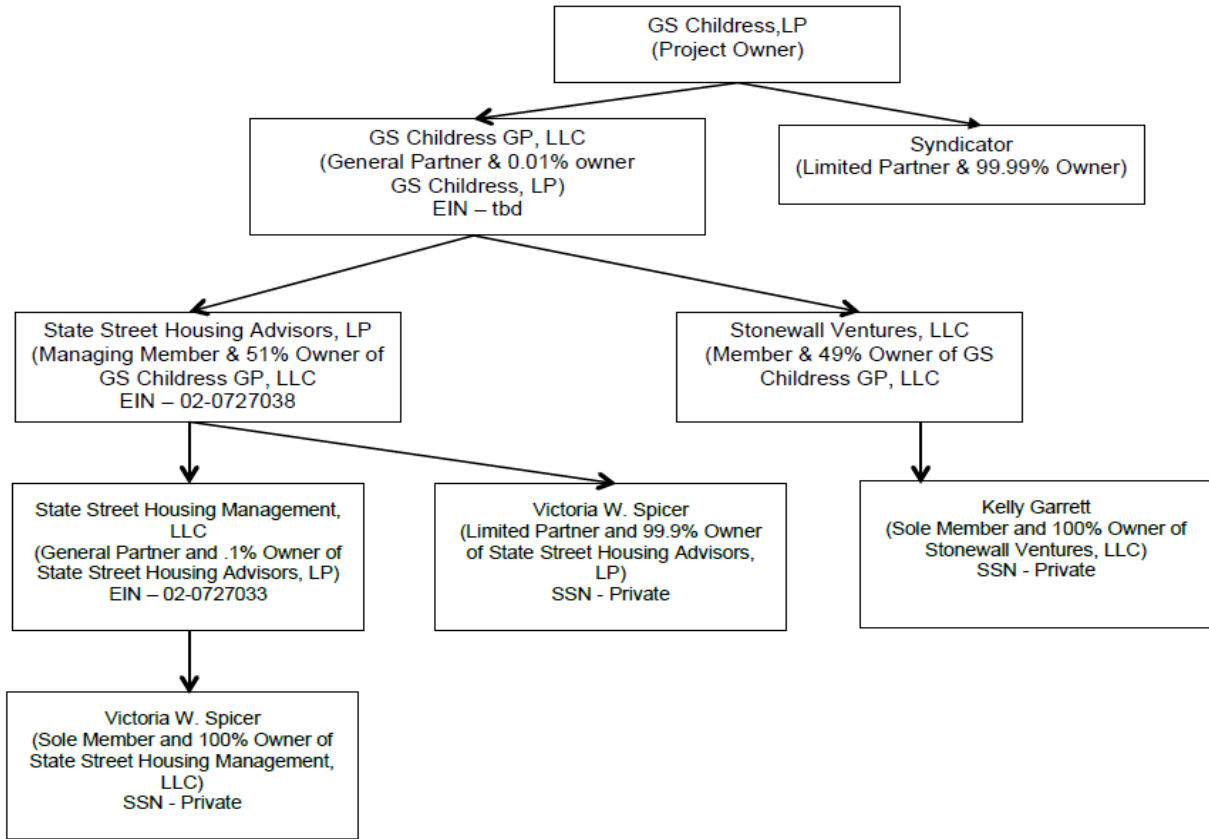
PRIMARY CONTACTS

Name: Kelly Garrett
 Phone: (903) 450-1520
 Relationship: GP/Developer

Name: Victoria W. Spicer
 Phone: (214) 346-0707
 Relationship: GP/Developer

This section intentionally left blank.

OWNERSHIP STRUCTURE



▫ The Applicant, Developer and General Contractor are related entities.

This section intentionally left blank.

GENERAL INFORMATION

Total Size:	<u>5.00 acres</u>	Scattered Site?	<u>No</u>
Flood Zone:	<u>X</u>	Within 100-yr floodplain?	<u>No</u>
Zoning:	<u>Commercial/ Industrial</u>	Re-Zoning Required?	<u>No</u>
Density:	<u>9.6 units/acre</u>	Utilities at Site?	<u>Yes</u>
Year Constructed:	<u>N/A</u>	Title Issues?	<u>No</u>

Surrounding Uses:

- North** - Hwy 287, Childress Regional Medical Center, other commercial and residential
- East** - Hwy 62, an electrical coop, substation, commercial and residential
- South** - railroad tracks, agricultural property
- West** - Madison Chase Apartments, Hampton Inn & Suites, Wal-Mart Supercenter, other commercial & retail

Other Observations:

Multifamily use allowed under current zoning.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: SKG Engineering, LLC Date: 2/20/2015

Recognized Environmental Conditions (RECs) and Other Concerns:

- "Noise Study Recommendation: The subject property is within close proximity to a railroad adjacent to the south property line. To comply with TDHCA regulations, a noise study in accordance with current HUD guidelines is recommended to be performed." (p.10)

MARKET ANALYSIS

Provider: Apartment MarketData, LLC Date: 210.530.0040
 Contact: Darrell G. Jack Phone: 210.530.0040

Primary Market Area (PMA): 714 sq. miles 15 mile equivalent radius

The PMA covers the entire county of Childress (2013 population 7,095) which is located in the southeast portion of the Texas Panhandle. It is a large PMA. Childress itself has a population of 6,091 (86% of the county population lives in Childress).

ELIGIBLE HOUSEHOLDS BY INCOME								
Childress 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	\$10,457	\$11,400	---	---	\$17,417	\$19,000	\$20,914	\$22,800
2	\$10,457	\$13,020	---	---	\$17,417	\$21,700	\$20,914	\$26,040
3	\$12,549	\$14,640	---	---	\$20,914	\$24,400	\$25,097	\$29,280
4	---	---	---	---	\$24,171	\$27,100	\$29,006	\$32,520
5	---	---	---	---	\$24,171	\$29,300	\$29,006	\$35,160

Comments:

Large eligibility gaps (ranging from \$4,400 to \$6,300) between the maximum income for 30% units and the minimum for 50% units. Smaller gaps (about \$1,900) for one-person and four-person households between the top income for 50% units and the minimum for 60% units. The two person and five person households have overlapping incomes between the 50% and 60% AMI bands. This translates into some of the population being double counted (although not material in this case).

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
0	None.				0	
Other Affordable Developments in PMA since 2011						
	None.				n/a	
Stabilized Affordable Developments in PMA (pre-2011)			2	Total Units		80

Proposed, Under Construction, and Unstabilized Comparable Supply:

None.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	2,309		2,309	
Senior Households in the Primary Market Area	0		1,194	
Potential Demand from the Primary Market Area	206		210	
Potential Demand from Other Sources	0		0	
GROSS DEMAND	206		210	
Subject Affordable Units	46		46	
Unstabilized Comparable Units	0		0	
RELEVANT SUPPLY	46		46	
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	22.3%		21.9%	

Population:	General	Market Area:	Rural	Maximum Gross Capture Rate:	30%
--------------------	----------------	---------------------	--------------	------------------------------------	------------

Demand Analysis:

The capture rate calculation determines the percentage of the available demand that is needed to absorb the proposed units. The overall demand for affordable units is within the Department's maximum threshold albeit high.

Approximately 44% of renter households in the PMA are seniors. 52% of all households in the PMA are senior households. These demographic characteristics weighted towards seniors are typical of rural counties particularly those with overall small populations.

This section intentionally left blank.

PMA DEMAND by UNIT TYPE										
Subject			Market Analyst			Underwriter				
Unit Type	# Units	% Units	Demand	Comp Units	Unit Capture Rate	Demand	Comp Units	Unit Capture Rate	Alternate Demand	Unit Capture Rate
1 BR/30%	2	4%	41	0	5%	14	0	15%	25	8%
1 BR/50%	4	8%	42	0	10%	20	0	20%	32	13%
1 BR/60%	10	21%	4	0	250%	2	0	614%	22	46%
2 BR/30%	3	6%	9	0	33%	7	0	41%	13	23%
2 BR/50%	5	10%	3	0	167%	9	0	53%	14	36%
2 BR/60%	10	21%	3	0	333%	3	0	398%	12	80%
3 BR/50%	3	6%	18	0	17%	10	0	32%	10	30%
3 BR/60%	9	19%	23	0	39%	5	0	173%	5	173%

NOTE: Alternate Demand calculations used solely to determine whether any mitigating circumstances to high capture rates exist.

Market Analyst Comments:

The overall occupancy reported in the market is 89.5%. (p. 10) Affordable projects are 95% occupied. (p. 12)

The current supply of affordable housing in this market is far less than demand. The current stock of affordable housing within the PMA consists of one family project and one senior project. (p. 50)

The HISTA data for Childress County do not accurately report the number of qualified renter households. There are currently 38 one bedroom units at 60% AMI offered in Childress with just one vacancy, but the demographics suggest there are only 10 income qualified renter households in the county. There are 30 two bedroom units at 60% offered in Childress with just one vacancy, but the demographics suggest there are only 3 income qualified renter households. (p. 72)

Underwriter Comments:

While the Gross Capture Rate (21.9%) falls below the maximum threshold, The Underwriter's individual unit capture rates range from 32% to 614% (60% of the total units show capture rates exceeding 100%). These are all 60% AMI units. While large, the percentage rates are magnified because of the small number of units for each bedroom type.

Underwriter's capture rates are higher than the Market Analyst's rates as the REA methodology does not overlap demand across unit types and therefore doesn't double count some households. That said, the Market Analyst's rates still show that 52% of the property's units are at or above 100%.

For general population developments, the gross and individual unit capture rates are calculated using demand only from renter turnover. Demand calculations for senior developments also include senior homeowner households.

Because of the low population of Childress and the PMA, the elderly demographic component of the PMA and in an effort to find any potential mitigation for the high unit capture rates, the Underwriter tested the capture rates by including additional demand from senior homeowner households. For the "Alternate Demand" calculation, 30% of the senior owner households were added to the demand (30% assumption consistent with the Gross Capture Rate maximum).

Using the additional senior homeowner demand, the Gross Capture Rate decreases to 8.6%.

All capture rates except for the three bedroom 60% AMI units improved dramatically. The two-bedroom 60% AMI units show an 80% capture rate indicating that there are two households of demand over the ten units provided in the development. Being under 100% suggests that mathematically there is enough demand for the units (doesn't speak to the propensity to lease). However an 80% capture rate on 21% of the total units remains concerning.

The three bedroom 60% AMI unit capture rate remains unchanged under the alternate demand test because senior households do not qualify for three bedroom units. The capture rate suggests that there are four too many three bedroom units being provided.

However, if the Applicant was only to achieve the 50% AMI rents on all nine of these units and therefore filled the units with 50% AMI residents, the DCR remains above a 1.15 times (assuming no HOME debt) and the combined capture rate on the three bedroom units becomes 80%. While somewhat mitigating the 173% rate on the 60% units, the combined 80% rate remains concerning.

Occupancy rates for the two rent restricted properties in Childress are 90% for Fairview Manor Apartments (a 48-unit family development rehabbed in 2002) and 100% for Greenview Apartments (a 32-unit senior development built in 1992).

The manager of Fairview Manor Apartments stated that there is a wait list for the one bedroom units and the four vacant two bedroom units are the result of recent evictions and make-ready down time between leases. She also stated that people have left the property because of needing three bedroom units which are not available at Fairview Manor.

The 100% occupancy rate on Greenview speaks in support of adding the senior homeowner demand for testing the capture rates on the one and two bedroom units.

Anecdotal market information speaks to demand that is not captured in the demographics.

The Chamber of Commerce provided: (1) 50 to 70 inquiries a month about rental housing; (2) 30% of the employees in Childress commute 30 plus miles (for jobs at the TDCJ prison, the TxDOT facility and hospital for example); and, (3) Childress is the HUB for 45 mile radius for medical, retail and entertainment (new event center opening in Fall of 2015).

Economic Development Corporation states that the "job pool has expanded by at least 125 positions over the last year".

The City Manager, Bryan Tucker, states: "We receive calls on a daily basis from people looking for rental properties. A great deal of our community's full-time workforce is having to commute thirty to forty-five miles one way to work here in Childress. In fact, we are currently working with Cottle County to create a shuttle service that would make three trips a day to and from Childress, due to the large number of their residence who work in Childress."

Lender and equity provider submitted letters stating that while they have not performed a market study, they are aware of the market concerns. Further they indicated that their underwriting will include a market review based on their criteria. Because of the concerns, receipt of statements from the lender and equity provider will be required at Carryover indicating that they have performed a market study (including a statement of the level of review) and based on that study they intend to move forward with processing their application(s).

While the above is non-quantifiable anecdotal information, it does provide some mitigation to the unit capture rate concerns. Rental demand can also be difficult to determine given a turnover methodology if rental product is scarce.

Even so, the combination of a high Gross Capture Rate, individual unit capture rates (in particular the 60% units), the large size of the PMA and the overall population within the county, substantial lease-up and continued occupancy risk exists.

As a result of the above, the Underwriter does not recommend the HOME loan. While mitigating factors for the high unit capture rates exists, they are not sufficient to mitigate the lease-up and sustained occupancy risk and therefore TDHCA HOME risk. The mitigating factors and anecdotal market information are sufficient for making an affirmative recommendation on the tax credit award.

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OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro forma)

NOI:	\$111,338	Avg. Rent:	\$577	Expense Ratio:	64.7%
Debt Service:	\$82,499	B/E Rent:	\$523	Controllable Expenses:	\$2,748
Net Cash Flow:	\$28,839	UW Occupancy:	92.5%	Property Taxes/Unit:	\$500
Aggregate DCR:	1.35	B/E Occupancy:	84.0%	Program Rent Year:	2014

Pro forma underwritten without the HOME loan award consistent with the recommendation. With out the HOME loan, overall pro forma feasibility indicators are strong except for expense ratio which is of concern (however typical of rural markets because of overall low rents). Removing HOME units does not change potential gross rents.

All HTC units are projected at maximum HTC program rents. Two market rate unit rents supported by market study (although immaterial impact). Underwriter's pro forma assumes no premium. Average rents are \$54 above break-even.

One-month concession on the 60% and market-rate units produces an average rent \$19/unit above breakeven.

Underwritten occupancy assumes 4 vacant units (7.5%), while break-even is at 7 units (16%).

Without the HOME loan, the DCR becomes 2.02 times which is over the 1.35 times threshold. Therefore, \$510K of additional senior debt is assumed to lower the DCR to 1.35 times (at the senior debt terms). DCR remains positive over the long-term pro forma.

Structured with the HOME loan request pursuant to the terms in the NOFA, the feasibility factors show a DCR of 1.20 times, a break-even rent \$35/unit below average rent, break-even occupancy of 87% and the expense ratio remains at 64.7%.

A one-month concession puts average rents at break-even.

Under this scenario and in addition to the market concerns, the break-even rents are concerning even without consideration of break-even rents.

ACQUISITION INFORMATION

SITE CONTROL

Type: Commercial Contract for Unimproved Property Acreage: 5

Acquisition Cost: \$420,000 Cost Per Unit: \$8,750 Expiration: 1/12/2016

Seller: PAMCO Partnership

Buyer: State Street Housing Development, LP

Assignee: GS Childress, LP

Related-Party Seller/Identity of Interest: No

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DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	\$84,000/ac	\$8,750/unit	\$420,000	Contractor Fee	\$573,060
Off-site + Site Work		\$19,177/unit	\$920,500	Soft Cost + Financing	\$981,927
Building Cost	\$69.99/sf	\$66,100/unit	\$3,172,787	Developer Fee	\$1,126,495
Contingency	5.00%	\$4,264/unit	\$204,664	Reserves	\$198,722
Total Development Cost		\$158,295/unit	\$7,598,156	Rehabilitation Cost	N/A
Qualified for 30% Basis Boost?		Rural [9% only]			

Site Work:

Cleared parcel of land, moderately flat, with an approximate slope of 1.2% from the northwest to the southeast. Detention not required. City will incur costs to construct access street to Highway 62.

Building Cost:

Three typical two-story garden style buildings with total average 30% stone exteriors and 5/12 roof pitches. Island kitchens in 75% of the units. 9' ceilings.

Contingency:

Below allowable at 5%.

Comments:

Construction costs are generally higher in rural areas such as Childress due to the need to import labor and transport materials from larger cities.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$7,598,156	\$6,758,972	\$660,575

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
TDHCA	HOME	\$0	0.00%	0%
Additional Interim Financing	0	\$750,000	0.00%	10%
Childress EDC	Loan	\$45,000	3.00%	1%
CHASE	Conventional Loan	\$3,750,000	3.75%	49%
RBC Capital	HTC	\$2,017,712	\$0.87	27%
Bonner Carrington Construction, LLC	Matching Funds	\$35,000		0%
Stonewall Ventures	Deferred Fee	\$890,616		12%
Deferred Operating Reserve	Deferred Fee	\$109,828		1%
		\$7,598,156	Total Sources	

Comments:

As a result of eliminating the HOME loan, Applicant will need to secure an additional \$750K of interim financing. \$236K of additional developer fee could be deferred.

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Lancaster Pollard	\$900,000	5.00%	40	40	\$900,000	4.50%	40	40	12%
Childress EDC	\$45,000	3.00%	40	40	\$45,000	3.00%	40	40	1%
TDHCA	\$750,000	0.00%	40	40	\$0	3.00%	30	30	0%
Bonner Carrington	\$35,000	0.00%	N/A		\$0				0%
Total	\$1,730,000				\$1,455,000				

Comments:

HOME loan not recommended due to market concerns.

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
RBC Capital	\$5,764,891	\$0.87		\$5,746,428	\$0.87	76%	
Stonewall Ventures	\$103,265		9%	\$396,728		5%	36%
Total	\$5,868,156			\$6,143,156			
				\$7,598,156			Total Sources

Applicant used an applicable fraction based on the unit calculation instead of the square footage calculation. Correction for this, the tax credit recommendation is based on eligible basis and results in a slight reduction (\$2,123/annually) to the Applicant's credit request.

Credit Price Sensitivity	
\$0.927	Maximum Credit Price before the Development is over sourced and allocation is limited
\$0.860	Minimum Credit Price below which the Development would be characterized as infeasible

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CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	\$7,598,156
Permanent Sources	\$1,455,000
Gap in Permanent Financing	\$6,143,156

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$5,746,428	\$660,575
Needed to Fill Gap in Financing	\$6,143,156	\$706,180
Requested by Applicant	\$5,764,895	\$662,697

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$5,746,428	\$660,575

	Amount	Interest	Amort	Term	Lien
TDHCA HOME Loan	\$0	3%	30	30	2nd

Deferred Developer Fee	\$396,728	(36% deferred)
Repayable in	14 years	

Comments:

If the HOME funds are not awarded, debt coverage would increase to 2.02. The Underwriter would assume an increase in the primary debt to \$1.37M. This would require deferral of \$402K of the developer fee, which could be repaid within 14 years of operation.

Underwriter:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Thomas Cavanagh</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

UNIT MIX/RENT SCHEDULE

Stonebridge at Childress, Childress, 9% HTC/HOME #15093

LOCATION DATA	
CITY:	Childress
COUNTY:	Childress
PROGRAM REGION:	1
PIS Date:	On or After 2/1/2014
IREM REGION:	NA

UNIT DISTRIBUTION					
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0.0%	30	5	10.4%
1	16	33.3%	40	-	0.0%
2	20	41.7%	50	12	25.0%
3	12	25.0%	60	29	60.4%
4	-	0.0%	MR	2	4.2%
TOTAL	48	100.0%	TOTAL	48	100.0%

Applicable Programs
9 Housing Tax Credits
HOME

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130
Applicable Fraction	95.53%
APP % Acquisition	3.35%
APP % Construction	7.87%
Average Unit Size	944 sf

UNIT MIX / MONTHLY RENT SCHEDULE																					
HTC		HOME (Rent / Income)		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 30	305	LH/50	508	2	1	1	686	305	64	241	0	0.35	241	\$482	\$482	241	0.35	0	576	0.84	576
TC 50	508			4	1	1	686	508	64	444	0	0.65	444	\$1,776	\$1,776	444	0.65	0	576	0.84	576
TC 60	610			10	1	1	686	610	64	546	0	0.80	546	\$5,460	\$5,460	546	0.80	0	576	0.84	576
TC 30	366	LH/50	610	3	2	2	1,014	366	78	288	0	0.28	288	\$864	\$864	288	0.28	0	714	0.70	714
TC 50	610	HH/60	664	3	2	2	1,014	610	78	532	0	0.52	532	\$1,596	\$1,596	532	0.52	0	714	0.70	714
TC 50	610			2	2	2	1,014	610	78	532	0	0.52	532	\$1,064	\$1,064	532	0.52	0	714	0.70	714
TC 60	732			10	2	2	1,014	732	78	654	(18)	0.63	636	\$6,360	\$6,540	654	0.64	0	714	0.70	714
MR				2	2	2	1,014	0	78		NA	0.74	752	\$1,504	\$1,308	654	0.64	NA	714	0.70	714
TC 50	705	LH/50	705	1	3	2	1,173	705	94	611	0	0.52	611	\$611	\$611	611	0.52	0	765	0.65	765
TC 50	705	HH/60	827	2	3	2	1,173	705	94	611	0	0.52	611	\$1,222	\$1,222	611	0.52	0	765	0.65	765
TC 60	846			9	3	2	1,173	846	94	752	0	0.64	752	\$6,768	\$6,768	752	0.64	0	765	0.65	765
TOTALS/AVERAGES:				48			45,332				(\$4)	\$0.61	\$577	\$27,707	\$27,691	\$577	\$0.61	\$0	\$681	\$0.72	\$681

ANNUAL POTENTIAL GROSS RENT:	\$332,484	\$332,292	
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STABILIZED PRO FORMA

Stonebridge at Childress, Childress, 9% HTC/HOME #15093

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
	POTENTIAL GROSS RENT				0.61	577	332,484	332,292	577	0.61		0.1
app fees, nsf fees, cable income, pet fees.					15.00	8,640						
Total Secondary Income					15.00		8,640	15.00			0.0	0
POTENTIAL GROSS INCOME						341,124	340,932				0.1	192
Vacancy □ Collection Loss					7.5	PGI (25,584)	(25,570)	7.5	PGI		0.1	(14)
Rental Concessions						-	-				0.0	-
EFFECTIVE GROSS INCOME						315,540	315,362				0.1	178

General □ Administrative	19,542	407/Unit	-	0	6.32	0.44	416	19,950	19,542	407	0.43	6.20	2.1	408	
Management	26,140	8.2	EGI	-	0	5.00	0.35	329	15,777	15,768	329	0.35	5.00	0.1	9
Payroll □ Payroll Tax	38,398	800/Unit	-	0	16.96	1.18	1,115	53,500	53,500	1,115	1.18	16.96	0.0	-	
Repairs □ Maintenance	32,695	681/Unit	-	0	8.56	0.60	563	27,000	26,400	550	0.58	8.37	2.3	600	
Electric/Gas	9,294	194/Unit		0	2.10	0.15	138	6,624	9,294	194	0.21	2.95	-28.7	(2,670)	
Water, Sewer, □ Trash	22,100	460/Unit		0	7.88	0.55	518	24,852	22,100	460	0.49	7.01	12.5	2,752	
Property Insurance	16,975	0.37 /sf	-	0	4.34	0.30	285	13,694	13,694	285	0.30	4.34	0.0	-	
Property Tax 3.0538	18,949	395/Unit	-	0	7.61	0.53	500	24,000	24,000	500	0.53	7.61	0.0	-	
Reserve for Replacements	26,491	552/Unit	-	0	3.80	0.26	250	12,000	12,000	250	0.26	3.81	0.0	-	
Supportive Services			-	0	1.43	0.10	94	4,500	4,500	94	0.10	1.43	0.0	-	
TDHCA Compliance fees			-	0	0.73	0.05	48	2,305	1,840	38	0.04	0.58	25.3	465	
TOTAL EXPENSES					64.72%	\$4.50	\$4,254	\$ 204,202	\$ 202,638	\$4,222	\$4.47	64.26%	0.8%	\$ 1,564	
NET OPERATING INCOME ("NOI")					35.28%	\$2.46	\$2,320	\$111,338	\$112,724	\$2,348	\$2.49	35.74%	-1.2%	\$ (1,386)	

CONTROLLABLE EXPENSES							\$2,748/Unit				\$2,726/Unit			
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
Stonebridge at Childress, Childress, 9% HTC/HOME #15093

DEBT / GRANT SOURCES																		
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE								
DEBT (Must Pay)	MIP	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative				
		UW	App											DCR	LTC			
Lancaster Pollard	0.50	2.16	2.14	52,077	5.00	40	40	900,000	900,000	40	40	4.50	53,053	2.10	11.8			
Additional Assumed Debt	0.00	2.16	2.14		0.00	0	0	0	510,000	40	40	4.50	27,513	1.38	6.7			
Childress EDC		2.09	2.06	1,933	3.00	40	40	45,000	45,000	40	40	3.00	1,933	1.35	0.6			
TDHCA		1.31	1.29	32,219	0.00	40	40	750,000	0	30	30	3.00		1.35	0.0			
CASH FLOW DEBT / GRANTS																		
Bonner Carrington Construction, LLC		1.31	1.29		0.00	0	0	35,000	0	0	0	0.00		1.35	0.0			
				\$86,229	TOTAL DEBT / GRANT SOURCES			\$1,730,000	\$1,455,000	TOTAL DEBT SERVICE			\$82,499	1.35	19.1			
NET CASH FLOW		26,495	25,109	NET OPERATING INCOME												111,338	28,839	NET CASH FLOW

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	
RBC Capital	LIHTC Equity	75.9	662,697	0.87	5,764,891	5,746,428	0.8699	660,575	75.6	13,762	
Stonewall Ventures	Deferred Developer Fees	1.4	(9) Deferred		103,265	396,728	(35) Deferred		5.2	Total Developer Fee: \$1,126,495	
Additional (Excess) Funds Req'd		0.0			0	0			0.0		
TOTAL EQUITY SOURCES		77.2			5,868,156	6,143,156			80.9	15-Year Cash Flow: \$447,246	
TOTAL CAPITALIZATION					\$7,598,156	\$7,598,156	15-Yr Cash Flow after Deferred Fee:				\$50,517

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			8,750 / Unit	420,000	420,000	8,750 / Unit				0.0	0
Site Work		718,500	14,969 / Unit	718,500	718,500	14,969 / Unit	718,500			0.0	0
Site Amenities		202,000	4,208 / Unit	202,000	202,000	4,208 / Unit	202,000			0.0	0
Building Cost		3,172,787	69.99 /sf	66,100/Unit	3,172,787	2,988,703	62,265/Unit	65.93 /sf	2,988,703	6.2	184,084
Contingency		204,664	5.00	5.00	204,664	204,664	5.24	5.24	204,664	0.0	0
Contractor Fees		573,060	13.33	13.33	573,060	573,060	13.93	13.93	573,060	0.0	0
Soft Costs	0	503,865	11,591 / Unit	556,365	556,365	11,591 / Unit	503,865	0	0	0.0	0
Financing	0	257,600	8,866 / Unit	425,563	425,563	8,866 / Unit	257,600	0	0	0.0	0
Developer Fee	0	1,126,495	20.00	20.00	1,126,495	1,089,679	20.00	20.00	1,089,679	3.4	36,817
Reserves			4,140 / Unit	198,722	188,456	3,926 / Unit				5.4	10,266
UNADJUSTED BASIS / COST		\$0	\$6,758,972	158,295 / Unit	\$7,598,156	\$7,366,990	153,479 / Unit	\$6,538,071	\$0	3.1%	\$231,167
Acquisition Cost	0			0							
Contingency		0									
Contractor's Fee		0									
Interim Interest		0									
Developer Fee	0	0		0							
Reserves				0							
ADJUSTED BASIS / COST		\$0	\$6,758,972	158,295/unit	\$7,598,156	\$7,366,990	153,479/unit	\$6,538,071	\$0	3.1%	\$231,167
TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					\$7,598,156						

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Stonebridge at Childress, Childress, 9% HTC/HOME #15093

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	0	6,758,972	0	6,538,071
Deduction of Federal Grants	0	0	0	0
TOTAL ELIGIBLE BASIS	0	6,758,972	0	6,538,071
High Cost Area Adjustment		130		130
TOTAL ADJUSTED BASIS	0	8,786,663	0	8,499,493
Applicable Fraction	95.53	95.53	95.53	95.53
TOTAL QUALIFIED BASIS	0	8,393,578	0	8,119,254
Applicable Percentage	3.35	7.87	3.35	7.87
ANNUAL CREDIT ON BASIS	0	660,575	0	638,985
CREDITS ON QUALIFIED BASIS		660,575		638,985

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8699	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	660,575	5,746,428	\$660,575	(\$2,123)	(\$18,467)
Gap	706,180	6,143,156	----	----	----
Applicant Request	662,697	5,764,895	----	----	----

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Garden (Up to 4-story)	45,332 SF	64.55	2,925,964
Adjustments				
Exterior Wall Finish	2.40		1.55	70,223
	0.00		0.00	0
9 ft. ceilings	3.30		2.13	96,557
Roofing			0.00	0
Subfloor			(0.78)	(35,132)
Floor Cover			2.50	113,330
Breezeways	25.46	3,806	2.14	96,910
Balconies	25.80	2,418	1.38	62,388
Plumbing Fixtures	970	96	2.05	93,120
Rough-ins	475	96	1.01	45,600
Built-In Appliances	1,790	48	1.90	85,920
Exterior Stairs	2,425	6	0.32	14,550
Heating/Cooling			2.11	95,651
Enclosed Corridors	48.34	0	0.00	0
Carports	11.82	0	0.00	0
Garages		0	0.00	0
Comm /or Aux Bldgs	97.61	2,083	4.49	203,325
Elevators		0	0.00	0
Other:			0.00	0
Fire Sprinklers	2.30	51,221	2.60	117,808
SUBTOTAL			87.93	3,986,213
Current Cost Multiplier	0.99		(0.88)	(39,862)
Local Multiplier	0.89		(9.67)	(438,483)
TOTAL BUILDING COSTS			77.38	\$3,507,868
Plans, specs, survey, bldg permits	3.30		(2.55)	(115,760)
Contractor's OH Profit	11.50		(8.90)	(403,405)
NET BUILDING COSTS		62,265/unit	65.93/sf	2,988,703

30-Year Long-Term Pro Forma

Stonebridge at Childress, Childress, 9% HTC/HOME #15093

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
EFFECTIVE GROSS INCOME	2.00%	315,540	321,850	328,288	334,853	341,550	377,099	416,348	459,682	507,526	560,350
TOTAL EXPENSES	3.00%	204,202	210,170	216,314	222,639	229,151	264,706	305,827	353,388	408,405	472,053
NET OPERATING INCOME ("NOI")		\$111,338	\$111,680	\$111,973	\$112,214	\$112,399	\$112,393	\$110,521	\$106,294	\$99,121	\$88,297
MUST -PAY DEBT SERVICE											
Lancaster Pollard		53,053	53,012	52,969	52,924	52,877	52,607	52,270	51,847	51,318	50,656
Additional Assumed Debt		27,513	27,513	27,513	27,513	27,513	27,513	27,513	27,513	27,513	27,513
Childress EDC		1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933
TOTAL DEBT SERVICE		82,499	82,458	82,415	82,370	82,323	82,053	81,716	81,293	80,764	80,102
ANNUAL CASH FLOW		28,839	29,222	29,558	29,844	30,076	30,339	28,805	25,000	18,356	8,194
CUMULATIVE NET CASH FLOW		28,839	58,061	87,620	117,463	147,539	299,344	447,246	580,872	687,204	750,059
DEBT COVERAGE RATIO		1.35	1.35	1.36	1.36	1.37	1.37	1.35	1.31	1.23	1.10
EXPENSE/INCOME RATIO		64.7%	65.3%	65.9%	66.5%	67.1%	70.2%	73.5%	76.9%	80.5%	84.2%
Deferred Developer Fee Balance		367,890	338,667	309,109	279,265	249,189	97,385	0	0	0	0
Residual Cash Flow		0	0	0	0	0	0	28,805	25,000	18,356	8,194



15093 Stonebridge at Childress PMA



PMA: 714 sq mi →

**15093 Stonebridge at Childress
(48 units General new)**

One Mile →



Childress



December 17, 2015

Application 15093

Stonebridge at Childress

Attachment

Original equity provider email

From: Jeffrey Spicer [<mailto:jspicer@statestreethousing.com>]
Sent: Wednesday, July 01, 2015 5:35 PM
To: Brent Stewart; Diamond Thompson
Cc: Jeffrey S. Spicer; Kelly Garrett
Subject: Fwd: Stonebridge at Childress - TDHCA #15093

Jeffrey Spicer
Partner
State Street Housing Development, LP
jspicer@statestreethousing.com



Begin forwarded message:

From: "Kierce, Daniel" <Daniel.Kierce@rbc.com>
Subject: Stonebridge at Childress - TDHCA #15093
Date: July 1, 2015 at 4:52:35 PM CDT
To: 'Jeffrey Spicer' <jspicer@statestreethousing.com>
Cc: "Kaufman, Ross" <ross.kaufman@rbccm.com>

Jeff,

Based on the preliminary information we have seen for Stonebridge of Childress, we are comfortable moving forward with the due diligence process if awarded credits. While the initial market study highlighted potentially high capture rates, we use a different methodology in evaluating the market. We will engage our own study based on that methodology which I believe will evidence stronger demand for the property. In addition, we have done several rural projects with you and have had great success and a strong track record. You build the highest quality housing and manage it effectively. We take into consideration the overall deal structure and the strength of the sponsor when we evaluate new investment opportunities. We have invested in seven LIHTC properties with you and all of them have exceeded our expectations. I envision this will be the case with Stonebridge at Childress as well. We are in support of the development and look forward to working on it if it is awarded credits.

Please feel free to call me with any questions.

Thanks!

-Dan

Dan Kierce

Director

RBC Capital Markets

Tax Credit Equity Group

(216) 875-6043

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OR RECOMMEND TO ANOTHER PARTY ANY TRANSACTION OR MATTER.

December 17, 2015

Application 15093

Stonebridge at Childress

Attachment

Commitment Notice



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

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J. Paul Oxer, *Chair*
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Leslie Bingham-Escareño
Tom H. Gann
Tolbert Chisum
JB Goodwin

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING TAX CREDIT PROGRAM
COMMITMENT

This Housing Tax Credit Commitment (the "**Commitment**") in connection with an award of Housing Tax Credits from the 2015 State Housing Credit Ceiling is made and entered into by and between the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency of the State of Texas (the "**Department**"), and **GS CHILDRESS, LP**, (the "**Development Owner**"), herein collectively referred to as the "**Parties**." This Commitment does not constitute an "allocation" for purposes of Section 42 of the Internal Revenue Code.

RECITALS

WHEREAS, Development Owner agrees to carry out the new construction, rehabilitation, and/or reconstruction of the Development as more fully described in TDHCA application number **15093** (the "Application") and in accordance with all representations made in the Application, as may be amended from time to time, and as required to adhere to Chapter 2306 of the Texas Government Code ("Chapter 2306"), Title 10 of the Texas Administrative Code ("10 TAC") Chapter 1 ("Administration"), Chapter 10 ("Uniform Multifamily Rules"), and Chapter 11 ("Qualified Allocation Plan"), Section 42 of the Internal Revenue Code ("Section 42"), all applicable Internal Revenue Service ("IRS") notices and revenue rulings, all applicable Regulations and Decisions of the United States Department of the Treasury, and all other applicable state and federal laws, rules, regulations, and other requirements, all collectively referred to herein as the "Legal Authorities" and

WHEREAS, Department has reviewed the Application and the Governing Board of the Department approved an award of Housing Tax Credits on **July 30, 2015** in accordance with the Legal Authorities;

NOW, THEREFORE, for and in consideration of the promises herein made, and the mutual benefits derived and to be derived, the Parties hereto, each intending to be legally bound, do by their execution hereof agree as follows:



TERMS

Development	STONEBRIDGE AT CHILDRESS
Development Owner	GS Childress, LP
Development Address	5 ACRES WEST OF HWY 62 BEHIND THE TRACTOR SUPPLY CHILDRESS, TX 79201
Building Identification Numbers	TX 15-09301 - 15-09399
Set-Asides	N/A
Allocation Category	NEW CONSTRUCTION
Annual Tax Credit Commitment Amount	\$660,575
Contact Person	KELLY GARRETT
Contact Address	7801 JACK FINNEY BLVD., #101 GREENVILLE, TX 75402
Contact Phone/Email	(903) 450-1520 KGARRETT@STATESTREETHOUSING.COM
Issuance Date of Commitment Notice	August 18, 2015
Expiration Date of Commitment Notice	September 17, 2015

CONDITIONS

The Annual Tax Credit Commitment Amount reflected in the Commitment is the maximum amount of tax credits awarded by the Board. It is subject to downward (but not upward) adjustment in accordance with applicable laws, rules, and regulations concerning the issuance of IRS Form 8609 for each building so as to ensure, among other things, that no more credits than necessary are provided and ultimately allocated. In issuing this Commitment, the Department has relied upon the information submitted by the Development Owner to be accurate and complete in all material respects. The Department reserves the right to revoke, modify, or terminate this Commitment if the Department determines that the Development Owner has provided erroneous, misleading, incomplete, or fraudulent information to the Department or other parties for which the Legal Authorities require notification in connection with the Application for Housing Tax Credits or has in a material manner failed to comply with a state or federal requirement applicable to the application for and awarding of tax credits and such failure cannot be cured or waived.

Pursuant to §10.402(a) of the Uniform Multifamily Rules, this Commitment Notice shall expire on the date specified herein below in paragraph A unless the Development Owner indicates acceptance by executing the Commitment Notice, paying the required fees specified in §10.901 of the Uniform Multifamily Rules, and satisfies any other conditions set forth herein or in the Uniform Multifamily Rules. Without limitation, failure to submit the documentation in sections A-I below, by the specified submission dates may result in the termination of the award documented in this Commitment:

A. No later than **September 17, 2015**, which is the expiration date of this notice, the Development Owner must provide in form and substance satisfactory to the Department's staff in their reasonable judgment all of the following items to the Department (if not already provided):

- I. This Commitment, accepted and agreed to by the Development Owner as evidenced by the original signature of an individual duly authorized to act on behalf of the Development Owner without need of joinder or approval by anyone else;
- II. In accordance with §10.901(8) of the Uniform Multifamily Rules, a check for the Commitment Fee in the amount of **\$26,423**;
- III. In accordance with §10.901(10) of the Uniform Multifamily Rules, a check for the Building Inspection Fee in the amount of **\$750**;
- IV. In accordance with §10.402(d) of the Uniform Multifamily Rules, all of the following documents must be submitted by the Development Owner:
 - a. For Texas entities, a copy of the Certificate of Filing for the Certificate of Formation and a Certificate of Fact from the Office of the Secretary of State. If formed outside the state of Texas, a Certificate of Application for foreign qualification in Texas and a Certificate of Fact from the Texas Secretary of State. If the entity is newly formed and a Certificate of Fact is not available, a statement is provided to that effect;
 - b. Franchise Tax Account Status from the Texas Comptroller of Public Accounts. If the entity is newly formed and no status is available then a statement to such effect shall be submitted;
 - c. Evidence in the form of a certified corporate resolution that the signer(s) of the Commitment Notice has (have) the authority to sign on behalf of the Applicant and that those Persons signing the Application constitute all Persons required to sign or submit such documents; if intervening entities are involved in any such execution, certified resolutions as to the authority of any persons executing on their behalf must also be provided;
 - d. Evidence of final approval of any zoning that was proposed or needed to be changed pursuant to the Development plan;
 - e. Evidence of satisfaction of any conditions identified in the Credit Underwriting Analysis Report or any other conditions of the award required to be met at Commitment Notice; and
 - f. Documentation of any changes to representations made in the Application subject to §10.405 of the Uniform Multifamily Rules (relating to Amendments and Extensions).

B. In accordance with §10.402(f) of the Uniform Multifamily Rules, all documents outlined in the Carryover Manual relating to the execution of a **Carryover Allocation Agreement** pursuant to §42(h)(1) of Section 42 and Treasury Regulations §1.42-6 must be submitted to the Department no later than 5:00 p.m. Austin local time on **November 2, 2015**, unless such date is extended in writing by Department.

C. In accordance with §10.402(g) of the Uniform Multifamily Rules and pursuant to §42(h)(1)(E)(i) and (ii) of Section 42, all documents outlined in the Post Carryover Activities Manual relating to the 10% Test must be submitted to the Department no later than 5:00 p.m. Austin local time on **July 1, 2016**, unless extended in writing by Department.

D. In accordance with §42(h)(1)(E)(i) of Section 42, all Buildings in the Development must be placed in service no later than **December 31, 2017**.

E. Extensions to the deadlines itemized in paragraphs B, C, and D, to the extent permitted under the Legal Authorities, must be requested in accordance with §10.405(d) of the Uniform Multifamily Rules and must be submitted prior to the date for which an extension is being requested. The Department may require documentation relating to the need for any extension and may assess point deductions on other current or future applications in accordance with Chapter 2306, §2306.6710(b)(2).

F. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to or termination of the credit allocation and/or terms of other TDHCA funds may be warranted. This Commitment is subject to the following development-specific conditions as reflected in the Department's published Credit Underwriting Analysis Report. Unless otherwise stated within the specific condition (which may not conflict with any of the Legal Authorities), the documentation required to demonstrate satisfaction of each condition must be submitted to the Department no later than 5:00 p.m. Central Time Zone on **September 17, 2015**.

1. Receipt and acceptance by Carryover:
 - a. Revised sources and uses schedule supporting sufficient interim construction financing ~~with term sheet(s) from third party sources of funding; and~~
 - b. Statements from the lender and equity provider indicating that they have performed a market study (including a statement of the level of review) and based on that study they intend to move forward with processing their application(s).
2. Receipt and acceptance by 10% test of a comprehensive noise assessment to determine the requirements for the proposed development to satisfy HUD guidelines, and documentation that any subsequent recommendations have been incorporated into the development plans.

G. This Commitment Notice is also subject to the following development-specific conditions. Unless otherwise stated within the specific condition (which may not conflict with any of the Legal Authorities), the documentation required to demonstrate satisfaction of each condition must be submitted to the Department no later than 5:00 p.m. Central Time Zone on **September 17, 2015**.

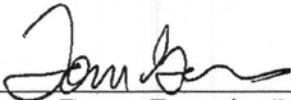
1. Confirmation letter from 811 Program Staff indicating that:
 - a. Application (or an existing property) is participating in Section 811 Project Rental Assistance Demonstration Program and therefore qualifies for points under §11.9(c)(7)(A) related to Tenant Populations with Special Housing Needs; or
 - b. Application does not qualify for participation in Section 811 Project Rental Assistance Demonstration Program and therefore agrees to set aside 5% of the total Units for Persons with Special Needs under §11.9(c)(7)(B) related to Tenant Populations with Special Housing Needs.

H. Development Owner acknowledges that this Commitment does not represent a commitment of any funds awarded under the HOME program or any other loan or grant program. However, those Development Owners expecting a commitment of Federal funds from the Department are cautioned against taking any choice-limiting action as discussed in CPD Notice 01 - 11, including but not limited to any transfers and assignments of the property, in anticipation of the Federal commitment but prior to receiving Federal environmental clearance from the Department. Development Owners expecting ultimately to receive a commitment of Federal funds from the Department are encouraged to familiarize

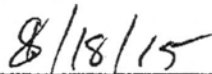
themselves in detail with the HUD environmental review process and submit their request for Federal environmental clearance as soon as possible.

I. Included with this Commitment Notice is the "Application Verification and Compliance Review" form. This review form contains representations from the Application, changes during the Application process, and the Application as underwritten and approved by the Board. Please review the attachment for accuracy and identify any errors by marking the corrected information in red. The Application Verification and Compliance Review form, initialed and signed by a person with full authority to act on behalf of the Development Owner, must be submitted with this Commitment Notice.

J. In addition to the requirements of the Legal Authorities, Development Owner hereby agrees and acknowledges that all assurances, pledges, conditions, restrictions, representations, obligations or the likes, however designated which the Development Owner (including any of its affiliates) undertook in applying for Housing Tax Credits will be incorporated into a Land Use Restriction Agreement ("LURA") or other applicable document with respect to the Development. Such LURA or document will also incorporate provisions requiring compliance with Section 42 and with Chapter 2306, including but not limited to requirements for: annual reporting and periodic inspections; payment of the fees, charges, and expenses of the Department in connection with monitoring and compliance activities; management, operating, maintenance, and repair standards; tenant selection and income certification; limitations on rents, charges, and fees payable by tenants; cost controls and management selection; and a minimum thirty-year affordability period, or such longer period as elected and set forth in the Application. If any liens (other than mechanic's or materialmen's liens for which construction bonds are in place or other provisions made to ensure discharge) have been recorded against the Development prior to the recording of the LURA, the Development Owner shall also obtain and submit to the Department the subordination of the rights of any such lienholder, or other effective consent, to the survival of certain obligations contained in the LURA following the foreclosure of any such lien.



Tom Gouris, Deputy Executive Director




Date

I (We), Development Owner, hereby acknowledge and agree to abide by all terms and conditions stated in this Notice and any referenced documentation contained herein.

I (We), on behalf of the Development Owner, hereby acknowledge and agree that pursuant to §10.406 of the Rules, the transfer of an allocation of Housing Tax Credits or ownership of a Development supported with an allocation of Housing Tax Credits to any person including an Affiliate of the Development Owner shall not occur unless the Development Owner obtains the Department's prior, written approval of the transfer.

I (We) hereby acknowledge that failure to comply with this Notice, the Department's Rules and QAP, as applicable, and any referenced documentation contained therein may result in a refusal of the Department to issue IRS Form(s) 8609 for purposes of Housing Tax Credits as well as its exercise of other remedies, including revocation of this Notice.

I (we) hereby acknowledge that the Development will be constructed in compliance with the 2010 ADA Standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" *Federal Register 79 FR 29671*, and as further amended by 10 TAC Chapter 1, Subchapter B.



Authorized Representative

09/17/2015

Date

Victoria W. Spicer, Managing Member
Authorized Representative (Printed Name, Title)

December 17, 2015

Application 15093

Stonebridge at Childress

Attachment

Carryover Package excerpts

TAB 1- OWNER & DEVELOPMENT SUMMARY

1. DEVELOPMENT INFORMATION

Development Name: Stonebridge at Childress TDHCA #: 15093
 Development Address: 600 feet west of Hwy. 62 just north of 501 Hwy. 62
 Development City: Childress County: Childress Zip: 79201

2. NAME and ADDRESS of OWNERSHIP ENTITY

Development Owner Name: GS Childress, LP
 Dev. Owner Contact: Jeffrey S. Spicer
 Dev. Owner Address: 7801 Jack Finney Blvd., #101
 City: Greenville State: TX Zip: 75402
 Phone: 214.346.0707 Ext: Email: Jspicer@statestreethousing.com

3 Second Person to contact about carryover documentation:

Contact: Kelly Garrett
 Phone: 903.450.1520 Ext: 1 Email: kgarrett@statestreethousing.com

INSTRUCTIONS: If an extension, ownership change or amendment is applicable to this carryover package, submit behind Tab 8 either the Department's letter of approval or, *if approval has not been granted, a copy of the letter requesting approval, i.e. only the letter. Do not include any other documentation of a request that is under review except the letter itself. The request package, including all required documentation, should have been submitted to the Multifamily Finance Division prior to and separately from this carryover package. If TDHCA fees are due, pay them and document payment with a message from the applicable division of TDHCA.*

Fees - Are any TDHCA fees or expenses due for compliance monitoring, inspections or other Department functions for any development in which any Affiliate of the Development Owner has an interest?

No fees are due. Fees are due/outstanding but documentation of payment is in process.

Extension - See Carryover Manual and 2015+ Uniform Multifamily Rules (Rules) §10.402(f)(1) - Was the carryover package submitted late?

No extension needed. Yes, but an extension was approved before the deadline and a letter of approval is behind Tab 8.

Ownership Changes - See Carryover Manual, Rules §10.406 and §10.901(17), and Texas Government Code (TGC) §2306.6/13 - Has the ownership structure indicated in the application changed?

No changes were made. Yes, request to change owner was submitted and letter of approval or request (letter, only) is in Tab 8.

Development Changes - See Carryover Manual, Multifamily Rules §10.405(a) and §10.901(13), and TGC §2306.6712 - Have the site, buildings, units and other features subject to the amendment process changed?

Note: Changes in income, expenses and financing that do not change the scoring will not, in general, be treated as amendments or require a formal approval at carryover. Therefore, simply document such changes behind Tab 8 for underwriting.

No changes were made. Yes, amendment request was submitted and letter of approval or request (letter, only) is behind Tab 8.

Financing Changes & Other Changes that Require Re-Underwriting - Changes in income, expenses, financing, etc. in Tab 8.

No changes were made. Yes, documentation of financing, expenses, income and/or other non-physical changes are behind Tab 8.

Prior Allocation - If forms 8609 were issued to the subject development in a prior allocation, provide the project's prior TDHCA development number(s) below. Provide the BINs associated with the prior development number in the form in Tab 3.

No prior allocations Yes, a prior allocation was made to this development. Its prior development number was:

Are the BINs in the current carryover allocation agreement the same BINs used in the past development? If not, explain why in a narrative behind Tab 3.

N/A OTPA Yes No, they are different and an explanation is provided in Tab 3.

Limited Partnership Agreement (LPA) has already been signed by the **final** equity investor (i.e. institutional investor or investor that will actually use the credits). If so, include only the signature page of the investor behind this tab. Do not include any other pages.

No, the final LPA is not yet signed. Yes, the final equity investor signed the LPA and the investor's signature page is in Tab 3.

Tab 2

Carryover Allocation Agreement

Submit an image of the executed and notarized Carryover Allocation Agreement behind this tab.

The development owner must be formed and on record in the state of Texas. All other members of the owner that appear on the signature page must be formed and on record with the secretary of state of the state where formed.

The owner's signature block must reflect the uninterrupted hierarchy of the signatory's branch of the ownership structure. Minimize emergencies by having only one person sign.

The EIN or TIN stated under the owner's signature must be the EIN or TIN of the development owner, not the general partner or any entity other than the development owner, itself.

The notary block must correctly restate the structure of the signature block above it and correctly name the state and county in which the document was notarized.

2015 CARRYOVER ALLOCATION AGREEMENT

**(The Owner named below must be the actual ownership entity, itself,
not a General Partner or an Affiliate)**

Development

Name: Stonebridge at Childress (the "Development") TDHCA #: 15093Development Address or
Description of Location:¹ 600 feet west of Hwy. 62 just north of 501 Hwy. 62City: Childress County: Childress State: TX Zip: 79201Development Type: New Construction²Building Identification Numbers
(BINs) Reserved for this Development: TX-15-09301 through TX-15-09399

The Texas Department of Housing and Community Affairs (the "Department") hereby issues this Carryover Allocation of 2015 tax credit authority in the annual amount of \$660,575³ pursuant to Section 42(h)(1)(E) or (F) of the Internal Revenue Code of 1986, as amended (the "Code"). The allocation is subject to the terms and conditions stated in the Commitment Notice and Carryover Allocation Manual, and all the representations and undertakings set forth in the Application on which the allocation is based, the violation of any of which shall be cause for the cancellation of this Carryover Allocation.

GS CHILDRESS, LP, a Texas limited partnership,⁴ (the "Owner") hereby certifies that each building for which this allocation is being made does or will meet the requirements of Section 42(h)(1)(E)(ii) of the Code (for a project which includes one building) or Section 42(h)(1)(F) of the Code (for a project which includes more than one building) and Treasury Regulation 1.42-6. The Owner hereby certifies that no later than the date that is one year after the effective date of the Carryover Allocation, the Owner will have incurred expenditures amounting to more than 10% of \$7,178,972,⁵ which is the Owner's reasonably expected basis in the Development for purposes of Treasury Regulation 1.42-6.⁶ The effective date of the Allocation is the date this Carryover Allocation Agreement is executed by the Department. For the purpose of meeting the requirements of the 2015 Qualified Allocation Plan and Uniform Multifamily Rules (10 TAC Chapters 11 and 10), the Owner agrees that documentation of expenditures comprising more than 10% of said reasonably expected basis will be submitted to the Department by July 1, 2016.

The Owner understands and agrees that this allocation is subject to fulfilling the requirements of the Construction Status Report as set forth in the 2015 Uniform Multifamily Rules, §10.402(h). The Owner agrees to submit promptly to the Department a copy of each inspection report conducted by the lender(s) and/or equity investor as the reports become available.

¹ For multiple sites, reference "Exhibit A" and attach a list of addresses or descriptions of the locations as the exhibit.

² The Development Type must be new construction, rehabilitation or acquisition/rehabilitation, only. Determine the appropriate carryover classification in consultation with your attorney or CPA.

³ The figure entered here should be consistent with the figure reflected in the 2015 HTC Commitment Notice.

⁴ The Development Owner must be legally formed or the carryover allocation is not valid. **DO NOT use the name of a General Partner, Affiliate or any name other than the name of the organization that is the Development Owner.**

⁵ The allocation must be justified by the amount of the reasonably expected basis.

⁶ Treasury Regulation 1.42-6(a)(2) refers to a 6-month period that does not reflect the Code's current one-year period for meeting the 10%- of-basis requirement.

The Owner hereby certifies that each building for which this allocation is made will be placed in service no later than December 31, 2017, and such placement in service shall meet the requirements of the Internal Revenue Service. Upon completion of the Development or any building therein, the Department may undertake, at the expense of the Owner, such inspection(s) and/or financial audit(s) as it deems desirable in order to verify that the Development was constructed or rehabilitated according to the representations contained in the Application and that reported expenditures were actually incurred. The Department also may require that additional work be done if necessary to meet housing quality standards or other deficiencies noted in the inspection.

All owners that receive a 2015 Carryover Allocation must request issuance of IRS Forms 8609 upon the filing of cost certification documentation as required by the Department's Post Carryover Activities Manual, as in effect at the time of filing. The documentation must be filed no later than January 15, following the first year of the credit period. The anticipated first year of the credit period is 2017.

The Owner hereby agrees and acknowledges that all requirements stated in the Post Carryover Activities Manual for receiving IRS Forms 8609 must be met to the satisfaction of the Department before such forms will be issued with respect to the Development. The Owner hereby further agrees and acknowledges that all conditions, restrictions, and obligations in addition to those applicable under Code Section 42, which the Owner undertook in applying for this Carryover Allocation, are incorporated herein and to the extent appropriate, will be reflected in a Declaration of Land Use Restrictive Covenants (the "Declaration") with respect to the Development. Such Declaration will also incorporate provisions requiring compliance with the Internal Revenue Code and with Chapter 2306, Texas Government Code (the "Act"), including but not limited to requirements for: annual reporting and periodic inspections; payments of the fees, charges and expenses of the Department in connection with its monitoring and compliance activities under the Code and the Act; management, operating, maintenance and repair standards for the Development; tenant selection and income certification; limitations on rents, charges, and fees payable by tenants; and development cost controls and management selection. The Owner hereby acknowledges that any rule or requirement applicable to the Development Owner, Application, award, or allocation and any representation made in the Application, as may be amended from time to time, or other materials provided to the Department in connection with the Application may be included in the Declaration and the Development Owner agrees (i) to execute such Declaration in substantially similar form to that provided, subject to such modifications as may be required by the Department, in its reasonable discretion, in order to reflect changes in federal or state law, and policy or program requirements, and (ii) to abide by all the terms and conditions contained in the Declaration. **Any failure to comply with the terms of any such conditions, restrictions, or obligations prior to issuance of IRS Forms 8609 with respect to the Development may be cause for cancellation or modification of this Carryover Allocation by the Department and such other action as the Department determines to be appropriate.**

The Owner hereby acknowledges that it has thoroughly reviewed and agrees to abide by all terms and conditions stated in the Qualified Allocation Plan and Uniform Multifamily Rules, Commitment Notice, and 2015 Carryover Allocation Procedures Manual. The Owner hereby agrees to the return of any unused credit authority at the time of final allocation should the Department determine that a reduction in the credit amount is appropriate in accordance with the Department's rules and under Section 42(m)(2).

Applicable Percentage Election

The Owner hereby irrevocably elects, pursuant to Section 42(b)(1)(A)(ii) of the Code, to fix the applicable credit percentage for the Development as the percentage prescribed by the Secretary of the Treasury for the month in which this Carryover Allocation Agreement was executed by **BOTH** the Owner and the Department. The Department and the Owner acknowledge that this Carryover Allocation constitutes an agreement binding upon the Department, the Owner, and all successors in interest to the Owner as owners of the Development, subject to compliance by the Owner with the requirements of Section 42 of the Code and the requirements of the Department. Owners are advised to review IRS notice 2008-106 and subsequent changes in law related to the applicable credit percentage.

Eligible Basis Boost

The Department has determined that the Development is not receiving an allocation of credit dollar amount in excess of the amount required for its financial feasibility, and has further determined that the development is eligible for an increase in the eligible basis of the development by up to 30% (a "Basis Boost") as authorized and permitted by Section 42(d)(5)(B) of the Code, and Title 10 of the Texas Administrative Code Section 11.4(c).

Nonprofit Set-Aside

If this box is checked, this Carryover Allocation is being made pursuant to the Department's set-aside of credit authority for "qualified nonprofit organizations" within the meaning of Section 42(h)(5)(C) of the Code. Throughout the Compliance Period applicable to the Development under the Code and the Declaration, such a qualified nonprofit organization shall own an interest in the Development, have "control" of the Development pursuant to Section 11.5(1) of the QAP, and materially participate (within the meaning of Section 469(h) of the Code) in the development and operation of the Development. The qualified nonprofit organization designated to meet such obligation with respect to the Development is _____. As of the date hereof, and based solely on representations, covenants, and warranties of the Owner and other information previously submitted to the Department by the Owner, the Department has determined such nonprofit organization not to be "affiliated with or controlled by a for-profit organization" for purposes of Section 42(h)(5)(C)(ii) of the Code. In the event that any such representations, covenants, warranties and/or information is determined to have been false, materially misstated or materially misleading when made, or if subsequent events render such representations, covenants, warranties and/or information false or misleading in any material way, then the Department, at its option, may determine the issue of control with respect to Section 42(h)(5)(C)(ii), and such determination shall be grounds for cancellation of this Carryover Allocation and any and all such other action as the Department may deem appropriate.

Any other transfer of the allocation will be subject to approval by the Department at its discretion and in accordance with 10 TAC §10.406. The Owner hereby agrees and acknowledges that it will request prior written approval from the Executive Director of the Department in writing for any intended transfer of the Development or change in actual control of the Development for which this Carryover Allocation is made prior to such transfer or change in control. Further, any purchaser that intends to acquire the Development with respect to this allocation and to make use of this Carryover Allocation will be required to request

approval from the Department of the intended acquisition of the Development and to supply the Department with any documentation which it may require, in its sole discretion. The approval of any such transfer by the Department does not constitute a representation to the effect that such transfer is permissible under the Code or without adverse consequences hereunder.

The Owner agrees that it will inform and seek the Department's approval for any changes in the number of units, unit mix, unit sizes, design changes or any other material changes to the Development prior to making the changes in accordance with 10 TAC §10.405(a). Unapproved changes may result in the reduction or loss of credits or in the cancellation of this Carryover Allocation. The Owner hereby agrees that the Owner or management company will attend at least five hours of fair housing training on management and leasing issues, and the Architect or Engineer will attend at least five hours of training on fair housing design prior to the deadline for submitting 10% Test documentation.

In issuing this Carryover Allocation, the Department has relied upon the information submitted to it by the Owner. This allocation is conditioned upon satisfying all requirements set forth herein, in the Code and in the Department's Rules, including demonstrating the financial feasibility and long-term viability of the Development. In light of the amount allocated to the Development, Owner may propose changes to Development configuration consistent with the allocation amount, which the Department, in its discretion, may accept, reject or require modifications with respect thereto. If Owners or Affiliates are found to be in violation of any rule regarding the Application or any rule regarding actions performed prior or subsequent to submission of the Application, specifically including actions that would have resulted in the ineligibility of the Owner or Affiliate to participate in the Application process, this Carryover Allocation may be cancelled at the discretion of the Department. The Department makes no representations concerning or guaranteeing the Owner's eligibility to receive the credit stated herein; such determination rests with the Internal Revenue Service based upon the actions and determinations of the Owner in light of all applicable laws, regulations and rulings.

The Owner expressly acknowledges that this Carryover Allocation is subject to downward adjustment in accordance with the Department's rules in connection with the Department's review required by Internal Revenue Code §42(m)(2).

Under penalty of perjury, I certify that individually and on behalf of the Owner, on whose behalf I represent and warrant I am authorized to act, the information and the statements in this Carryover Allocation Agreement are true and accurate.

EXECUTED to be effective as of the last date written below.

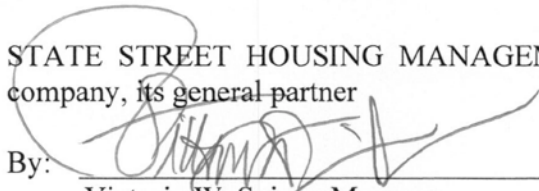
DEVELOPMENT OWNER:

GS CHILDRESS, LP, a Texas limited partnership

By: GS CHILDRESS GP, LLC, a Texas limited liability company, its general partner

By: STATE STREET HOUSING ADVISORS, L.P., a Texas limited partnership, its managing member

By: STATE STREET HOUSING MANAGEMENT, L.L.C., a Texas limited liability company, its general partner

By: 
Victoria W. Spicer, Manager

Owner's Federal Taxpayer or Employer Identification Number (TIN or EIN):¹ 47-5406200
Owner Address: 7801 Jack Finney Blvd., Ste. 101 City: Greenville State: TX Zip: 75402
Email: Jeffrey S. Spicer, jspicer@statestreethousing.com Phone: 214.346.0707 Ext. NA
Email: Kelly Garrett, kgarrett@statestreethousing.com Phone: 903.450.1520 Ext. 3

THE STATE OF TEXAS

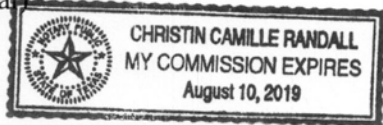
COUNTY OF ~~HUNT~~ Dallas

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BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Victoria W. Spicer, known to me to be Manager of STATE STREET HOUSING MANAGEMENT, L.L.C., a Texas limited liability company, general partner of STATE STREET HOUSING ADVISORS, L.P., a Texas limited partnership, managing member of GS CHILDRESS GP, LLC, a Texas limited liability company, general partner of **GS CHILDRESS, LP**, a Texas limited partnership, the limited partnership that executed the foregoing instrument, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of said limited partnership, and that she executed the same as the act of such limited partnership for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 29⁹ day of October, 2015.

(Seal)




Notary Public, State of Texas

¹ DO NOT use the taxpayer identification number of a General Partner, Affiliate or any organization or Person other than the organization that is the Development Owner.

Resolution of Conditions of the Commitment Notice

Below, state each condition in the Commitment Notice that is due at the time of Carryover. State only the conditions due at carryover and no others. These should be stated under the appropriate headings, "Condition 1," "Condition 2," etc. Be sure that any conditions in any section of the Conditions of Commitment in the Commitment Notice containing requirements that were extended to the time of Carryover are included. After each condition is stated, and under the appropriate headings, "Response to Condition," explain how the documentation provided in this carryover package satisfies the condition.

Condition 1:

Revised Sources and uses schedule supporting sufficient interim construction financing with term sheets from tird party sources of funding.

Response to Condition 1:

Sources and use and term sheets are attached.

Condition 2:

Condition 1) b. should have been listed here and supporting documentation attached

Response to Condition 2:

Condition 3:

Response to Condition 3:

Respondents add sections as needed to state all conditions due at carryover.

(add additional conditions as necessary)

December 17, 2015

Application 15093

Stonebridge at Childress

Attachment

2015 Carryover Manual

service fails to deliver by the deadline, then the carryover package will be deemed untimely by TDHCA and shall not be accepted without an approved extension.

Instructions for Completing the Electronic Carryover

All awards of 2015 housing tax credits are required to use the 2015 carryover forms in the 2015 carryover package. There is a link to this package on the Competitive (9%) Housing Tax Credits page of the TDHCA website (<http://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm>) under Post Award Guidance. Physical delivery of the executed Carryover Allocation Agreement form will start with Multifamily Finance Division staff filling out the electronic document with information provided by the Development Owner in the Application, Commitment Notice and 2015 Carryover Allocation Questionnaire. Staff will transmit the completed electronic form as an email attachment to the Development Owner's contact to be printed, executed and submitted by the carryover deadline. Regarding the 2015 carryover package:


1. After downloading the electronic Excel template, fill in only the areas shaded in yellow. Forms have been kept unlocked to allow awardees to add additional columns or rows or format text or spacing as necessary. If the space provided is insufficient for the number of characters that must be entered, decrease the font size.
2. All questions are intended to elicit a response. Therefore, please do not omit any requested information. Do NOT include cell references to external spreadsheets. The submission must be entirely self-contained to allow the proper functioning of internal evaluation tools and make all pertinent information available to TDHCA.

For questions, please contact Jason Burr at (512) 475-3986, or jason.burr@tdhca.state.tx.us or Ben Sheppard at (512) 475-2122, or ben.sheppard@tdhca.state.tx.us.

Instructions for Converting the Excel file to PDF

When the carryover file is completed in Excel, it must be converted to PDF.

Excel 2007 Users:

1. Click the **Microsoft Office Button**  , point to the arrow next to **Save As**, and then click **PDF or XPS**
2. In the **File Name** list, type or select a name for the workbook.
3. In the **Save as type** list, click **PDF**.
4. To open the file immediately after saving it, select the **Open file after publishing** check box. This check box is available only if a PDF reader installed.
5. Next to **Optimize for**, do one of the following:
 - If the workbook requires high print quality, click **Standard (publishing online and printing)**.
 - If the print quality is less important than file size, click **Minimum size (publishing online)**.

6. Click **Options**. Under **Publish What** select **Entire Workbook** and click **OK**.
7. Click **Publish**.

Excel 1997-2003 Users:

1. With the Excel file open go to the Adobe PDF drop-down box from the task bar (if using Excel 2007 click on **Acrobat** tab in the task bar).
2. Select **Convert to Adobe PDF** from the drop-down list (Excel 2007- select **Create PDF**).

The Adobe PDFMaker box will appear. On the left hand side of the box, all of the sheets within the Excel file will be listed. Select the sheets to be included in the PDF, and click on the **Add Sheets** button.

3. When all sheets selected appear on the right-hand side under **Sheets in PDF** click on the **Convert to PDF** button.
4. Follow the on screen instruction to save the PDF file. The file should be named in the following format: <File Number_Development Name_Carryover>.pdf (e.g. 14001_Austin_Crossing_Carryover.pdf).
5. Click **Yes** when prompted “proceed without creating tags?”.

Creating Bookmarks

Once the file has been converted to PDF, bookmarks may or may not have been created as part of the conversion process. Create and/or revise bookmarks to keep the names not more than twelve characters in length with all bookmarks on the same level (i.e., do not allow a bookmark to be a subsection or subcategory of another bookmark). To correctly set the bookmark locations, the PDF file must be opened in Adobe Acrobat. Click on the bookmark icon located on the left-hand side of the Adobe Acrobat screen, or go to the task bar and select these options in the following order: **View** → **Navigation Panels** → **Bookmarks**.

If a bookmark has already been created for each tab within the Excel file, simply re-set the bookmarks to the correct locations, making sure that all bookmarks are on one level. To re-set the location for the bookmarks, go to the first page of each separately labeled form/exhibit. Then, right-click on the corresponding bookmark for the form/exhibit selected. Click **Set Destination** and when prompted “set the destination of the selected bookmark to the current location,” select **Yes**.

If bookmarks were not already created within the Excel file, go to **Document** → **Add Bookmark**. Right-click on the first bookmark and re-name it for the appropriate form or exhibit. Then, set the location using the instructions above.

To delete any extra or unnecessary pages, identify the appropriate page number(s). On the Adobe Acrobat Task Bar, click on Document and select Delete Pages from the drop down list. Enter the page numbers to be deleted and hit OK.

The PDF formatted file must be checked for the following items prior to submission:

- ✓ All tabs and/or volumes must be correctly bookmarked.
- ✓ Files should average less than 100 kilobytes per page.
- ✓ Files must be readable with free PDF file viewers including Adobe Reader and be compatible with Adobe Reader 5.0 and above.
- ✓ Files should be saved so that “Fast Web View” (or page at a time downloading) is enabled.
- ✓ Text within the PDF file should be searchable using the “Find” command in the PDF viewer.

For difficulties in using the Microsoft Excel based application, contact Ben Sheppard via email at ben.sheppard@tdhca.state.tx.us.

Required Forms and Exhibits for the Carryover

A Development Owner in receipt of a valid 2015 Commitment Notice must file the 2015 carryover package in order to obtain a carryover allocation. If the Development Owner will place the development in service in the same year that the Commitment Notice is issued, the owner must notify the Multifamily Finance Division immediately. If deficiencies are found in a carryover submission, the Department will notify the Development Owner, who will be given a specified length of time to correct the deficiencies. Timely response to a deficiency notice is critical so that the carryover documentation can be processed and the Carryover Allocation Agreement can be fully executed prior to January 1, 2016.

A complete electronic PDF carryover file must be submitted in the order presented in the Excel file template and detailed below. Some tabs in the Excel workbook are forms for the Development Owner to complete while others are placeholders where certain documents must be inserted.

❖ **Tab 1: Owner and Development Summary.**

- This form must be completed in its entirety.
- The carryover package must communicate the existence of any extension approval and any request or approval of an amendment or ownership change by including the letter of request or the Department’s letter of approval behind Tab 8. The documentation associated with these letters of request or approval should not be placed in the carryover package, only the letters themselves. The requests with supporting documentation should be submitted as separate packages after the Commitment Notice is signed but before submission of the carryover package:
 - Development Owners must ensure that all fees associated with all developments in which any Affiliate of the Development Owner was a principal have been paid.
 - Carryover packages submitted after the November 2 deadline or without an approved extension will be terminated pursuant to Uniform Multifamily Rules §10.402(f)(1). A carryover package that has a significant omission also requires an approved extension.

- Ownership change requests should be made after the Commitment Notice is signed but before the carryover submission deadline. These requests are governed by §10.406 (relating to §2306.6713, Texas Government Code) and the related fees are governed by §10.901(17). See <http://www.tdhca.state.tx.us/asset-management/pca-manual.htm> for instructions on submitting such a request. Note that changes in the Developer, Guarantor or person used to meet the experience requirement are typically amendments which are discussed below.
- Amendment requests, like ownership change requests, should be made after the Commitment Notice is signed but before the carryover submission deadline. Section 10.405(a) governs amendments and §10.901(13) establishes the associated fees. Owners should consult the Asset Management Division page under the Support & Services tab of the TDHCA website to find the “Amendments to Application” section of the Post Carryover Activities Manual. The manual is at the following address: <http://www.tdhca.state.tx.us/asset-management/pca-manual.htm>. The manual provides a description and explanation of the types of changes that constitute amendments requiring approval from the Department or the board. Changes in financing do not necessarily constitute amendments of the application as discussed immediately below and in the instructions for Tab 8 of the carryover package.
- Changes in revenue, expenses, financing and costs, and final commitments of financing that correspond to the evidence of financing submitted in the application typically do not constitute amendments. This documentation (unlike the documentation related to requests for extensions, ownership changes and amendments) ***should*** be submitted in the carryover package behind Tab 8.
- The Limited Partnership Agreement (LPA) (signature pages only) should be included behind this tab. Do not submit any pages of the limited partnership agreement except the signature page(s) of the original document showing execution by all relevant parties. **If the LPA has not been signed by the final limited partner investor, do not submit this item.**

❖ **Tab 2: Carryover Allocation Agreement (Image of Original).**

- Development Owners are responsible for all information in the Carryover Allocation Agreement. Therefore, Owners should review all entries for accuracy.
- The original of the Carryover Allocation Agreement must be physically delivered to the Department. Place a scanned image of the original signed form behind Tab 2.
- The original of the Carryover Allocation Agreement conveys the allocation of tax credits pursuant to IRC §42(h)(1). Department staff will fill out a form for each development and send the completed form to the Development Owner via email for review and execution.
- Taxpayer’s Reasonably Expected Basis (TREB) must be sufficient in amount to support the value of the tax credits allocated. Therefore, the TREB minus the land value must be greater than or equal to the eligible basis used in calculating the credit award by the eligible basis method (as opposed to the gap method or owner’s request). Generally, TREB includes the value of the site and all items of eligible basis. Other items of cost that can be depreciated or capitalized for tax purposes may also be included. A CPA or tax attorney should be consulted to assure the validity of the TREB.

- Owners must either mark the election box or leave it blank, as applicable. If the owner does not elect, the applicable percentage of the carryover allocation will be the rate determined by the Department’s Real Estate Analysis Division. If an owner chooses to elect, the Owner must use the applicable federal rate of the month in which an election is made under IRC §42(b)(2)(A)(ii) and meet the requirements of CFR §1.42-8. If there is an election to fix the rate, the Department must execute the carryover allocation agreement in the same month as the Development Owner. Therefore, the executed document must be delivered to the Department at least ten (10) days before the end of the month in which the owner signs it. It may be necessary to submit two carryover allocation agreements to make the election, one at the deadline for submitting the carryover package and another if the package cannot be reviewed in time to be signed by the Department in November.
- Nonprofit Organizations are a special concern of the carryover process. An award made in the Nonprofit Set-Aside requires the “Nonprofit” box on the third page of the Carryover Allocation Agreement to be marked. This election, along with the name of the qualified nonprofit organization designated to meet this requirement, will be filled out by Multifamily Finance Division staff and should be checked for accuracy. The development will have a restriction in its LURA in association with the nonprofit’s participation in the transaction.
- Each member of the Development Owner that appears on the signature page must be on record as a legally formed organization in the state in which it was organized. In addition, the legal entity that is the Development Owner must be on record with the Texas Secretary of State. The organization name in each state document (submitted in Tab 4) should exactly match the name in the carryover execution block in both spelling and punctuation (except that the Department may capitalize the name). No part of an organization’s name should be truncated or abbreviated. If the ownership entity name includes the words “Limited Partnership,” it is not permissible to substitute “Ltd.” or “L.P.” Submit evidence of legal formation of the ownership entity as detailed in the discussion of Tab 4, below.
- White-out cannot be used on the Carryover Allocation Agreement.
- Overwriting errors in the Carryover Allocation Agreement should be avoided by requesting a clean or revised document from Department staff.

❖ **Tab 3: Table of BINs for Developments with Previous Allocations.**

- This tab is not applicable for developments without previous allocations but is required for all developments with previous allocations, even if the previous allocation was made in the first year of the tax credit program or in any year thereafter and is beyond its affordability period.
- If the current development contains one or more buildings for which IRS Forms 8609 were issued (or will be issued) in relation to a past award of tax credits, provide the following:
 - Provide a list of all BINs assigned to the buildings of the current allocation and attach the 8609 of each building of the previous allocation. If a building was assigned a BIN in a previous carryover allocation but did not, or has not yet, received an 8609, provide the page of the carryover allocation that assigned the BIN and explain the building’s current status.
 - If the development of the previous allocation contained any buildings that were assigned BINs in the previous Carryover Allocation Agreement, LURA or 8609s, identify any BINs that will not be used in association with the

current carryover allocation. This instruction is applicable, for example, in cases where buildings that were assigned BINs have been destroyed or will not be rehabilitated using tax credits from the current allocation. Explain why the BINs will not be used. Attach a page with the heading, "Explanation of Previous BINs Not Used," that includes an explanation similar to one of the explanations just described. BINs that were assigned in a Carryover Allocation Agreement in excess of the BINs actually needed for the previous development proposal do not need to be explained. Only BINs that were actually assigned to buildings need to be discussed. For example, if a range containing 99 BINs was stated in the Carryover Allocation Agreement, but the development only needed three BINs, then only the BINs among these three applicable BINs that are not to be used in the current carryover allocation agreement must be discussed.

❖ **Tab 4: Federal Tax Identification Number (TIN) Form or Employer Identification Number (EIN) Form and Certificate of Existence from Texas Secretary of State.**

- Submit the document from the IRS or a similar official document showing the TIN or EIN (i.e. tax identification number) of the Development Owner - not the general partner. The name of the Development Owner must be the same as the name registered with the Texas Secretary of State and stated in the Application and Commitment Notice unless a change was otherwise approved by the Department.
- Certificate of limited partnership, certificate of organization and/or certificate of authority (i.e., certificate of authority to do business in Texas for entities organized outside Texas), as applicable, from the Texas Secretary of State must be submitted for the Development Owner. Submit a certificate of existence or equivalent for each entity organized in Texas and the equivalent document from the applicable foreign state for any entity organized outside Texas. The organization name in each state document should exactly match the name in the carryover execution block in both spelling and punctuation. No part of an organization's name should be truncated or abbreviated. If the ownership entity name includes the words "Limited Partnership," it is not permissible to substitute "Ltd." or "L.P."
- Franchise Tax Account Status from the Texas Comptroller of Public Accounts §10.402(f)(4).

❖ **Tab 5: Management Plan, Affirmative Marketing Plan and Fair Housing Training.**

- Applicant must include a statement confirming that a management plan and an affirmative marketing plan, which will be required in the 10% Test Instructions for 2015 Awardees, will be submitted with the 10% Test documentation. *Note: the 10% Test for 2015 Awardees will be processed by the Department's Asset Management Division, and the instructions for submitting the 10% Test documentation will be published at a later date as part of the 2015 Post Carryover Activities Manual located at <http://www.tdhca.state.tx.us/asset-management/pca-manual.htm>.*
- The carryover package must include a statement affirming that the Development Owner or management company, and the Development architect and/or engineer will attend Department-approved fair housing training courses before 10% Test documentation is submitted pursuant to §10.402(g)(4) of the Uniform Multifamily Rules. Evidence of attendance will be submitted with the documentation of the 10% Test. Note that the requirement for this carryover package is for a statement, not evidence of attendance. Please do not submit the documentation itself. Submit the statement, only. Certificates of attendance are due with the 10% Test submission,

and must be submitted at that time. The fair housing training date must not be more than two (2) years prior to the 10% Test submission.

❖ **Tab 6: Evidence of Site Control – Deed or Contract to Purchase or Lease the Land.**

- Fill in the form, indicating either an actual closing date or a projected closing date.
- Evidence of site control must be included in the carryover submission package of all developments. Evidence of site control must be consistent with §10.204(10) of the Uniform Multifamily Rules. The evidence must be for the same site proposed in the application, unless an amendment of the site has been approved by the Board. In addition, the evidence must show that control is already in place and will remain in place until a projected closing date or 10% Test, whichever is earlier as stated in §10.402(f)(3).
- Evidence should be submitted to show the ability to retain site control through January 1, 2016. Submit an extension to the contract or deed to meet this need, as applicable.

❖ **Tab 7: Resolution of Conditions of the Commitment Notice.**

- The conditions that are required to be satisfied at carryover and all documentation required to satisfy the conditions of the Commitment Notice must be provided behind this tab. For each condition, no matter how obvious, include a narrative explaining how the documentation submitted satisfies the condition.

❖ **Tab 8: Documentation of Changes (for underwriting the development proposal).**

- Changes that constitute amendments of the application may put the award in jeopardy. If changes are contemplated that significantly and/or fundamentally impact the development proposal or a number of application exhibits or documents, see Texas Government Code, §2306.6712 and §2306.6713. In the Multifamily Rules, see §10.405(a) and §10.406. Submit changes for the Department's review as described below.
- Extensions – As stated in the first section of this Carryover Manual, late deliveries will be accepted only if an extension has been approved. The Department's letter approving the extension should be submitted herein (i.e. in Tab 8). See the prior discussion in this manual and the 2015 Uniform Multifamily Rules for more information.
- Ownership changes – Submit the Department's letter approving these changes or the owner's letter requesting approval. Do not submit any of the associated documentation in the carryover package. Submit these requests separately from the carryover submission, after the Commitment Notice is signed and before the carryover submission deadline. See the discussion of Tab 1 earlier in this Carryover Manual for more information. See §10.406, regarding ownership changes and §10.901(17) regarding the associated fee. See also, Texas Government Code, §2306.6713. Some changes are not allowed until after issuance of Forms 8609.
- Developer changes – Developer changes are typically amendments of the application. See the discussion of amendments below.
- Amendments of the application – The Department's letter approving changes in the application or the owner's letter of request, without any of the associated documentation, must be submitted in Tab 8 of the carryover package. Requests to amend the application with all required documentation should be submitted before

the carryover package is submitted. Section 10.405(a) of the Multifamily Rules states the rules for amendments. Fees for these requests are detailed in §10.901(13). For a further discussion of the requirements that are associated with such requests, see the Asset Management section of the TDHCA website <http://www.tdhca.state.tx.us/asset-management/docs/PostCarryoverActivitiesManual.pdf>

- Changes in financing, revenues, expenses and costs that will not cause changes in the score of the application generally will not be treated as amendments of the application with respect to the carryover process. The documentation of these requests is to be submitted in the carryover package behind this tab (i.e., Tab 8). The financing, revenue, expense and cost documentation in Tab 8 will be used to review for any effect on scoring and underwriting. Replacements of Application exhibits must be submitted if the original application exhibits no longer reflect the applicant's anticipated financing, revenues, expenses or costs. In particular, as stated in §10.402(f)(2), "If the interim or permanent financing structure, syndication rate, amount of debt or syndication proceeds are finalized but different at the time of carryover from what was proposed in the original Application, applicable documentation of such changes must be provided and the Development may be reevaluated by the Department and a reduction of credit or change in conditions may result."
- Any changes in the development proposal require review for conformity with programmatic requirements and also may require additional underwriting review, either of which may affect the allocation of credit. Owners should be sure that any changes reported reflect the anticipated final form of the development proposal to avoid unnecessary processing and delay. If there have been no changes in the development proposal since the time of underwriting the application, the underwriting performed at the time of application will remain effective for the carryover, and there will be no decrease in the carryover allocation from the amount of tax credits recommended in the original underwriting.

Examples of forms that may be applicable for reporting changes are named below:

- Rent Schedule
- Utility Allowances
- Annual Operating Expenses
- 15-Year Rental Housing Operating Pro Forma
- Development Cost Schedule
- Property Condition Assessment (only required if rehabilitation is proposed). See "2015 Multifamily Rules, §10.306 Property Condition Assessment Guidelines" for description of requirements.
- Offsite Costs Breakdown
- Site Work Cost Breakdown. This form is required if site work costs have changed and the form must be accompanied by a CPA letter identifying the part of these costs that can be allocated to eligible basis if that change results in total site work costs exceeding \$15,000 per unit.
- Summary of Sources and Uses of Funds. If financing changes, submit the form and amended commitment letters.

December 17, 2015

Application 15093

Stonebridge at Childress

Attachment

Letters received:

November 6, Lancaster Pollard

November 9, AHP

November 6, 2015

Kelly Garrett
GS Childress, LP
7801 Jack Finney Blvd., #101
Greenville, TX 75402

Re: Stonebridge at Childress, Childress, TX

Mr. Garrett:

Lancaster Pollard has been engaged to originate a USDA 538 Guarantee Program loan. We have performed a review of the market study and we have committed to preparing an application for submission to USDA. Currently, we are in the process of collecting due diligence and anticipate submitting the USDA NOFA response by mid-December.

I look forward to working with your team on this and future transactions. Please feel free to contact me if you have any questions.

Thank you,



Lisa Vecchietti
Vice President

Cell: (512) 202-1655
Phone: (512) 327-7400 x3
Email: lvecchietti@lancasterpollard.com

Berkshire Hathaway Group
of Companies

AFFORDABLE HOUSING PARTNERS, INC.

Suite 3425
1999 Avenue of the Stars
Los Angeles, CA 90067
hbotts@berkahp.com
(225) 751-6945

November 9, 2015

Mr. Jeffrey Spicer
GS Childress, LP
7110 Baxtershire Drive
Dallas, TX 75230

Re: Stonebridge at Childress (the “Apartment Complex”)
48 Units – Childress, Texas
LIHTC Market Feasibility Study dated March 10, 2015

Dear Mr. Spicer:

We have reviewed the market feasibility study for the above referenced LIHTC development prepared by Apartment Market Data, LLC for the Texas Department of Housing and Community Affairs dated March 10, 2015. We have found the market feasibility study to be acceptable, and based upon our review, we do not have any reservations proceeding with our due diligence process for our proposed equity investment in the development partnership.

We look forward to working with you in this regard.

Sincerely,
Affordable Housing Partners, Inc.



Hunter Botts
Vice President

December 17, 2015

Application 15093

Stonebridge at Childress

Attachment

Termination Notice

§10.402.Housing Tax Credit and Tax Exempt Bond Developments.

(f) Carryover (Competitive HTC Only). All Developments which received a Commitment, and will not be placed in service and receive IRS Form(s) 8609 in the year the Commitment was issued, must submit the Carryover documentation, in the form prescribed by the Department in the Carryover Manual, no later than the Carryover Documentation Delivery Date as identified in §11.2 of this title (relating to Program Calendar for Competitive Housing Tax Credits) of the year in which the Commitment is issued pursuant to §42(h)(1)(C) of the Code.

(1) Commitments for credits will be terminated if the Carryover documentation has not been received by this deadline, unless an extension has been approved. This termination is final and not appealable, and immediately upon issuance of notice of termination staff is directed to award the credits to other qualified Applicants based on the approved waiting list.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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November 24, 2015

Writer's direct phone # 512-475-1676
Email: marni.holloway@tdhca.state.tx.us

Mr. Jeffrey S. Spicer
GS Childress, LP
7801 Jack Finney Blvd., #101
Greenville, TX 75402

RE: TERMINATION OF HTC APPLICATION #15093, STONEBRIDGE AT CHILDRESS, CHILDRESS,
TEXAS

Dear Mr. Spicer:

Pursuant to §10.402(f) of the 2015 Uniform Multifamily Rules, all Developments which received a Commitment, and will not be placed in service and receive IRS Form(s) 8609 in the year the Commitment was issued, must submit the Carryover documentation, in the form prescribed by the Department in the Carryover Manual, no later than the Carryover Documentation Delivery Date as identified in §11.2 of this title (relating to Program Calendar for Competitive Housing Tax Credits) of the year in which the Commitment is issued pursuant to §42(h)(1)(C) of the Code. The Carryover Documentation Delivery Date was November 2, 2015.

Commitments for credits will be terminated if the Carryover documentation has not been received by this deadline, unless an extension has been approved. A termination under this provision is final and not appealable, and immediately upon issuance of notice of termination staff is directed to award the credits to other qualified Applicants based on the approved waiting list.

You submitted the Carryover Agreement on Friday, October 30, 2015. Other than the agreement, no additional Carryover Documentation (as required in the Carryover Manual) was provided. On Monday, November 2, 2015, TDHCA staff inquired via email about your Carryover Documentation. Additionally, staff provided you a link to the Carryover Manual and submission template. Subsequently, that afternoon, you submitted Carryover Documentation.

However, you did not submit documentation in the Carryover package to address underwriting condition 1(b) of the Underwriting Report published July 15, 2015, which states: "Statements from the lender and equity provider indicating that they have performed a market study (including a statement of the level of review) and based on that study they intend to move forward with processing their application(s)." Satisfactory documentation relating to this condition was due at Carryover, as was stated in the Commitment Notice. In addition to not providing documentation related to the condition, you failed to identify the condition in your responses to Tab 7 of the Carryover package.

On Friday November 6, 2015, underwriting staff contacted you regarding the missing documentation related to condition 1(b). In response, you provided a letter from Lancaster Pollard



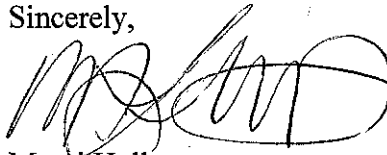
(lender) dated November 6, 2015, that afternoon in partial response to the condition. Subsequently on Monday, November 9, 2015, you provided a letter from Affordable Housing Partners, Inc. (equity provider) dated the same date also in partial response to the condition. You have indicated that Affordable Housing Partners, Inc. is a substitute equity provider for RBC Capital Markets indicated in the application.

While not submitted with the Carryover Documentation as required, underwriting staff reviewed the two letters related to condition 1(b) and determined that neither letter satisfies the underwriting condition. Neither the lender nor equity provider performed a market study as required by the condition.

Because acceptable documentation to clear the underwriting condition 1(b) was not provided by the Carryover Documentation Delivery Date and further because the documentation provided post the delivery date is not satisfactory to clear the condition the Application is hereby terminated.

If you have any questions or concerns, please contact me at 512-475-1676 or by email at marni.holloway@tdhca.state.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marni Holloway', written over a horizontal line.

Marni Holloway
Director of Multifamily Finance

December 17, 2015

Application 15093

Stonebridge at Childress

Attachment

Request for Extension

Marni Holloway

Subject: FW: HTC Application #15093 Stonebridge at Childress - Extension Request
Attachments: 151125 marni holloway-revised.doc

From: Victoria Spicer [<mailto:vspicer@statestreethousing.com>]

Sent: Wednesday, November 25, 2015 12:36 PM

To: Marni Holloway

Cc: Tom Gouris; Tim Irvine; Brent Stewart; Kelly Garrett; Jeff Spicer; jshack@shacklaw.net

Subject: HTC Application #15093 Stonebridge at Childress - Extension Request



December 6, 2015 **Note: this letter was emailed on 11/25/15 as a live document, so the date changes each time it is opened**

VIA Email to: Marni.Holloway@TDHCA.state.tx.us

Ms. Marni Holloway
Director of Multifamily
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711

Re: HTC Application #15093 Stonebridge at Childress

Dear Ms. Holloway:

On August 19, 2015 we received our commitment notice for HTC #15093 Stonebridge at Childress. On August 20, 2015 I was informed that my mother's liver cancer had advanced to end stage and doctors believed that she had five days to two weeks to live. We left for Atlanta the following day to be with her during her last days. After 12 days in Atlanta it became clear that she was going to live longer than expected. Since she was doing better than doctors had expected, we returned to Dallas in order to prepare for her move into our home and receive hospice and palliative care here. She arrived at our home in mid-September. On October 24, 2015 my mother lost her battle with cancer. While my mother was drawing her last breaths, we received a call regarding another highly stressful event that we will not detail here but affected us greatly throughout the next few weeks. On October 30, 2015 we submitted our carryover agreement to TDHCA. That evening we had the visitation prior to the funeral. My mother's funeral was held on October 31, 2015.

On November 2, 2015 Mr. Ben Sheppard called Jeffrey Spicer and sent an email to inform us that we had not submitted our carryover package. We submitted the package on November 2, 2015 as required by Mr. Sheppard's email just prior my mother's cremation. In our haste to put the package together in a timely manner and emotional state given the surrounding events of the recent days, we failed to include a response to underwriting condition 1(b).

On November 5, 2015 Mr. Brent Stewart notified us that we had not included underwriting condition 1(b), and we were told that we would be issued a deficiency. Immediately after that conversation with Mr. Stewart, we contacted our debt and equity providers in order to satisfy underwriting conditions. (At the same time we were continuing to prepare for and go through another highly stressful and emotional event related to our family.) Letters were submitted to Mr. Stewart as requested from the lender on Friday, Friday November 6, 2015 and from the equity provider on Monday, November 9, 2015.

I realize the extenuating circumstances are extreme (and I feel as though I am writing about someone else's strange life as I detail them). However, given these circumstances, I respectfully request an extension to December 17, 2015 for the deadline to submit the carryover package and the missed information.

Sincerely,

Victoria W. Spicer
State Street Housing Advisors, L.P.

cc:

Mr. Tom Gouris
Mr. Tim Irvine
Mr. Brent Stewart
Mr. Kelly Garrett
Mr. Jeffrey Spicer
Mr. John Shackelford

December 17, 2015

Application 15093

Stonebridge at Childress

Attachment

Denial of Extension

§10.405.Amendments and Extensions.

(d) HTC Extensions. Extensions must be requested if the original deadline associated with carryover, the 10 Percent Test (including submission and expenditure deadlines), or cost certification requirements will not be met. Extension requests submitted at least thirty (30) calendar days in advance of the applicable deadline will not be required to submit an extension fee as described in §10.901 of this chapter. Any extension request submitted fewer than thirty (30) days in advance of the applicable deadline or after the applicable deadline will not be processed unless accompanied by the applicable fee. Extension requests will be approved by the Executive Director or Designee, unless, at staff's discretion it warrants Board approval due to extenuating circumstances stated in the request. The extension request must specify a requested extension date and the reason why such an extension is required. If the Development Owner is requesting an extension to the Carryover submission or 10 percent Test deadline(s), a point deduction evaluation will be completed in accordance with Texas Government Code, §2306.6710(b)(2), and §11.9(f) of this title (relating to Competitive HTC Selection Criteria). Therefore, the Development Owner must clearly describe in their request for an extension how the need for the extension was beyond the reasonable control of the Applicant/Development Owner and could not have been reasonably anticipated. Carryover extension requests will not be granted an extended deadline later than December 1st of the year the Commitment was issued.



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J.B. Goodwin

November 30, 2015

Writer's direct dial: 512.475.3296
Email: tim.irvine@tdhca.state.tx.us

VIA Email to: VSpicer@statestreethousing.com

Ms. Victoria Spicer
State Street Housing Advisors, L.P.
7110 Baxtershire Dr.
Dallas, TX 75230

RE: HTC APPLICATION #15093, STONEBRIDGE AT CHILDRESS

Dear Ms. Spicer:

The Texas Department of Housing and Community Affairs is in receipt of your letter dated November 30, 2015, in which you request an extension of the deadline to submit missing carryover package documents until December 17, 2015, for the above-referenced Application.

Condition 1(b) of the Underwriting Report, published on July 15, 2015, required "Statements from the lender and equity provider indicating that they have performed a market study (including a statement of the level of review) and based on that study they intend to move forward with processing their application(s)." On August 19, 2015 a tax credit commitment containing this requirement was provided and there has been no indication in the intervening one hundred three (103) days that there were any questions regarding this requirement. As set out in the commitment, documentation to satisfy this requirement was due with the Carryover package, on November 2, 2015. The carryover package submitted on October 30, 2015, contained the Carryover Agreement, but it did not include either the required supporting documentation and exhibits or any other documents addressing the underwriting condition. Staff contacted you on November 2, 2015, to request the missing documentation, and the materials you supplied did not include the required lender and equity provider statements. As a result, the Department sent you a letter terminating the application on November 24, 2015.

Your letter dated November 30, 2015, describes extenuating circumstances that prevented your timely submission of the required documents at carryover and requests an extension of the carryover submission deadline. While we are sympathetic regarding the events described, they occurred well after the Underwriting Report was issued and well after the preparation to resolve those conditions should have begun, and as such do not constitute a reasonable basis for extension. There has been no evidence provided that any efforts were undertaken upon receipt of the underwriting report or the commitment to engage the lender and syndicator and have them perform any independent analysis to address TDHCA's identified concerns about the market and the necessary capture rate.

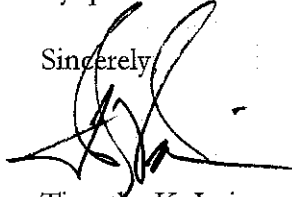


10 TAC §10.405(d) the TDHCA provides that “[C]arryover extension requests will not be granted an extended deadline later than December 1st of the year the Commitment was issued.” Based on the foregoing I do not have authority to grant your request under the rules, and accordingly, your request is denied.

You may appeal this denial to the TDHCA Governing Board. If you wish to appeal, please provide written notice including the basis for appeal no later than seven (7) calendar days from the date of this letter.

Please feel free to contact Marni Holloway, Multifamily Finance Director at 512.475.1676 or marni.holloway@tdhca.state.tx.us if you should have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy K. Irvine', written over the word 'Sincerely'.

Timothy K. Irvine
Executive Director

cc: Mr. Kelly Garrett
Mr. Jeffrey Spicer
Mr. John Shackleford

December 17, 2015

Application 15093

Stonebridge at Childress

Attachment

Appeal to the Governing Board



John C. Shackelford
9201 N. Central Expressway
Fourth Floor
Dallas, Texas 75231
(214) 780-1400 (Main)
(214) 780-1414 (Direct)
(214) 780-1401 (Fax)
jshack@shackelfordlaw.net

December 1, 2015

Via Email

Timothy Irvine, Esq.
Executive Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78711

RE: Appeal; TDHCA #15093, Stonebridge at Childress, Childress, Texas;
Our File No. 51377.3

Dear Mr. Irvine:

This law firm represents GS Childress, LP ("Development Owner"). I have been requested by Victoria Spicer, President of GS Childress GP, LLC (the "General Partner") to appeal (i) the decision of the Texas Department of Housing and Community Affairs ("TDHCA") to terminate application #15093 (the "Application"), Stonebridge at Childress (the "Project") due to the failure of Development Owner to comply with submitting certain requested materials by the Carryover Documentation Delivery Date (as defined in the 2015 Uniform Multifamily Rules (the "Rules")) set forth in Section 11.2 of the 2015 Qualified Action Plan (the "QAP"), and (ii) the decision of TDHCA not to grant Development Owner an extension to provide the additional information requested by TDHCA.

Notice of termination of the Application was sent to Development Owner on November 24, 2015. Ms. Spicer responded on November 25, 2015 by submitting a letter to Marni Holloway in which she requested an extension to December 17, 2015 to submit the carryover information requested by TDHCA. On Monday, November 30, 2015, Development Owner received notice from TDHCA of denial of Development Owner's request for an extension to submit the additional carryover documentation.

I. Legal Basis for Appeal of Termination of Commitment and Application.

Pursuant to Section 10.402(f) of the Rules:

All developments which received a Commitment and will not be placed in service and receive IRS Form(s) 8609 in the year the Commitment was issued, must submit the Carryover documentation, in the form prescribed by the Department in the Carryover Manual, no later than the Carryover Documentation

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Executive Director
Texas Department of Housing and Community Affairs
December 1, 2015
Page 2

Delivery Date as identified in Section 11.2 of this title (relating to “Program for Calendar Competitive Housing Tax Credits;) of the year in which the Commitment is issued pursuant to Section 42(h)(1)(C) of the Code.

The 2015 Carryover Manual states:

If deficiencies are found in a carryover submission, the Department will notify Development Owner, who will be given a *specified length of time* to correct the deficiencies. Timely response to a deficiency notice is critical so that the carryover documentation can be processed and the Carryover Allocation Agreement can be fully executed prior to January 1, 2016. (emphasis added).

In this instance, a representative of TDHCA initially notified Development Owner on November 2, 2015 by telephone about providing the carryover documentation. On November 2, 2015, Development Owner provided what they thought was all of the information and materials requested to satisfy the carryover documentation requirements of TDHCA. Subsequently on Friday, November 6, 2015, a representative of TDHCA contacted Development Owner in regards to missing documentation related to condition 1(b) of the Underwriting Report (herein so called) published July 15, 2015 pertaining to the Application. This was a verbal conversation and at no time was it mentioned that Development Owner had a specified length of time to correct the deficiency. On the contrary, the representative of TDHCA advised Jeff Spicer that he would receive a deficiency letter from by TDHCA.

Based upon the language cited above from the Carryover Manual and the telephone conversation with the representative of TDHCA, it was Mr. Spicer’s understanding that he would receive a deficiency notice and be given an opportunity to correct the deficiencies.

Instead, Mr. Spicer received on November 24, 2015 the letter from Ms. Holloway advising him that the Commitment for credits was terminated due to the failure to provide the requested carryover documentation on or before November 2, 2015 and that such termination was final and not appealable. A copy of Ms. Holloway’s letter dated November 24, 2015 is attached hereto as Exhibit “A” and incorporated herein by reference for all purposes. Please note that absent from Ms. Holloway’s letter dated November 24, 2015 is any mention of the requirement set forth in the Carryover Manual pertaining to the requirement of TDHCA to notify Development Owner of such deficiency and of the obligation of TDHCA to provide Development Owner of a “specified length of time to correct the deficiencies.”

It is for these reasons cited above that TDHCA has terminated the Commitment for credits contrary to and inconsistent with the express language of the Carryover Manual. Development Owner takes the position that such termination was premature on November 24,

Timothy Irvine, Esq.
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2015 and that Development Owner has a right to appeal the termination pursuant to Section 10.902(a)(8) of the Rules because such termination of the Commitment is axiomatically a termination of Development Owner's Application.

II. Legal Basis for Appeal of Extension Request.

Ms. Spicer, on behalf of Development Owner, requested TDHCA to grant Development Owner an extension to December 17, 2015 to provide the additional documentation requested by TDHCA to satisfy condition 1(b) of the Underwriting Report. This request was denied on Monday, November 30, 2015. A copy of the letter denying the extension request is attached hereto as Exhibit "B" and incorporated herein by reference for all purposes. Development Owner hereby appeals the decision of TDHCA pursuant to Sections 10.902(a)(5) and (8) of the Rules. This appeal is warranted because a request for an extension of time to provide the carryover documentation to satisfy the requirements for the Commitment is in effect a change to a Commitment and the denial of an extension is therefore a denial of a change to a Commitment which is appealable under Section 10.902(a)(5) of the Rules. In addition, the denial of the extension effectively terminates the Application which is appealable pursuant to Section 10.902(a)(8) of the Rules.

III. Factual Basis for Appeals.

Recited above are the legal bases for appealing both the decision to terminate the Commitment and the Application and the refusal to grant an extension for additional time to submit the additional carryover documentation requested by TDHCA. This portion of the letter addresses the extenuating circumstances why Development Owner failed to satisfy the particular request of TDHCA on or before November 2, 2015. In support of the extenuating circumstances, I refer you to the letter dated November 25, 2015 from Ms. Spicer to Ms. Holloway which is attached hereto as Exhibit "C" and incorporated herein by reference for all purposes.

As you can see from Ms. Spicer's letter, the day after Development Owner received the Commitment Notice for the Application, Ms. Spicer was informed that her mother had liver cancer and that she was expected to survive only between five days and two weeks. Ms. Spicer, along with her husband and three children, drove to Atlanta, Georgia the following day to spend what they thought were her mother's remaining days. As Ms. Spicer points out in her letter, it was determined that her mother was going to survive longer than expected and the decision was made to bring Ms. Spicer's mother back to Dallas and to have Ms. Spicer's mother stay in her home to receive hospice and palliative care until she passed away. For approximately a month, Ms. Spicer and Mr. Spicer were distracted from focusing on the nuances of the Underwriting Report due to caring for Ms. Spicer's mother in the remaining days of her life. Despite all that was going on with Ms. Spicer's mother, they submitted the Carryover Allocation Agreement to

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Page 4

TDHCA on October 30, 2015, which was six days after Ms. Spicer's mother's death and the day before Ms. Spicer's mother's funeral, and three days prior to the submission deadline of November 2, 2015. On November 2, 2015, Development Owner delivered to TDHCA the carryover submission documentation Development Owner reasonably believed satisfied the conditions of the Commitment.

Without disclosing the particulars of another situation that developed at the same time, I respectfully request you accept my representation that there was another significant and personal issue that befell Mr. and Ms. Spicer involving their family that created an additional amount of stress upon them and a distraction to their being able to focus on the specific nuances of providing the documentation requested by TDHCA.

Additionally, to be clear about what was requested of Development Owner in providing documentation that satisfied underwriting condition 1(b) of the Underwriting Report, TDHCA requested "statements from the lender and equity provider indicating that they have performed a market study (including a statement of the level of review) and based on that study they intended to move forward with processing their Application(s)." This is a somewhat unusual request because TDHCA requires a market study be provided by the Applicant at the time of submission of the Application. On TDHCA's approved list for market analysis, is Apartment Market Data, LLC ("AMD"). AMD was engaged by Development Owner to perform a market study for the Project located in Childress, Texas and to provide such report to Development Owner that would be provided to TDHCA as part of the Application. The market study prepared by AMD satisfies the requirements of TDHCA.

On November 6, 2015, Development Owner submitted a letter to TDHCA from Lancaster Pollard, the lender in this transaction, which Development Owner reasonably believed partially satisfied condition 1(b) of the Underwriting Report and on November 9, 2015, Development Owner submitted to TDHCA a letter from Affordable Housing Partners, Inc. (Berkshire Hathaway) ("AHP"), the equity provider in this transaction, which Development Owner reasonably believed completely satisfied condition 1(b) of the Underwriting Report.

Discussion is merited as to why Development Owner reasonably believed the submission of the letter from Lancaster Pollard and AHP satisfied condition 1(b) of the Underwriting Report. Development Owner is an experienced low income housing tax credit developer and has experience both as a consultant to other developers in the low income housing tax credit industry and for their own account. Development Owner has been involved in the Texas low income housing tax credit industry for approximately twenty years. They are familiar with the QAP, the Rules and certainly have a respect and appreciation for TDHCA's desire to have a level playing field for the participants seeking low income housing tax credits in the State of Texas. With that being said, Development Owner understands the reason why the underwriting department with

Timothy Irvine, Esq.
Executive Director
Texas Department of Housing and Community Affairs
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Page 5

TDHCA desired evidence from the lender and equity provider in this transaction of their commitment to consummate their respective transactions so the low income housing tax credits allocated to the Project would not be lost. The letters submitted by Development Owner to TDHCA on November 6, 2015 by the lender and on November 9, 2015 by the equity provider, in Development Owner's reasonable judgment, satisfied the goal of TDHCA of having reliable and authoritative evidence that the lender and equity provider were committed to consummating their respective transactions. A copy of those letters are attached hereto as Exhibits "D" and "E," and incorporated herein by reference for all purposes. As you can see from the letters provided by Lancaster Pollard and AHP as set forth on Exhibits "D" and "E," it is not unreasonable for Development Owner, who has considerable experience with TDHCA in satisfying the requirements of TDHCA, to think that Development Owner had indeed satisfied condition 1(b) of the Underwriting Report. Both letters clearly show an intent on the part of Lancaster Pollard and AHP, respectively, to proceed with the closing of their respective transactions.

Subsequent to Mr. Holloway's letter advising Development Owner of the termination of the Commitment, Development Owner solicited new letters from Lancaster Pollard and AHP which are attached hereto as Exhibits "F" and "G," and incorporated herein by reference for all purposes. As you can see from the letters attached as Exhibits "F" and "G," Lancaster Pollard and AHP have each independently reviewed the market study performed by AMD. As you can further see from the letter provided by AHP, they do not foresee any problems with consummating the purchase of the low income housing tax credits allocated to the Project by TDHCA. In the case of Lancaster Pollard, they have engaged Bob Coe to perform a market study, but as Lisa Vecchietti states in her letter, "It is our expectation that the new market study will show demand for the proposed development. Otherwise, Lancaster Pollard would not have committed the significant amount of resources to complete the USDA application."

Further in support of the proposition that AHP is proceeding to consummating the closing of this transaction, I participated on a conference call with representatives of AHP and its counsel regarding AHP's due diligence requirements and the timing of the closing. The conference call was consistent with over one hundred calls I have had with other equity providers over the years in similar transactions. There is no question in my mind that AHP has made a determination that the Project is feasible and they have every intention of consummating the acquisition of the tax credits.

In your letter dated November 30, 2015, you state "While we are sympathetic regarding the events described, they occurred well after the Underwriting Report was issued and well after the preparation to resolve this condition should have begun, and as such do not constitute a reasonable basis for extension." Development Owner takes issue with the characterization that the extenuating circumstances described above "do not constitute a reasonable basis for extension." The Commitment issued to TDHCA was on August 19, 2015, and as stated in Ms.

Timothy Irvine, Esq.
Executive Director
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Page 6

Spicer's letter and as stated above, Ms. Spicer was informed the very next day of her mother's liver cancer and was told that her mother had no more than two weeks to live and possibly only a mere five days to live. From that date forward, Ms. Spicer's and Mr. Spicer's lives were a whirlwind of managing three children, driving to Atlanta due to Mr. Spicer's physical disabilities, and coping with all of the family issues attendant to a parent with cancer in his or her final days. Also combined with the death of Ms. Spicer's mother, making funeral arrangements and attending the funeral, was the additional personal issue heaped on top of Mr. and Ms. Spicer at the same time the carryover documentation was required to be delivered on November 2, 2015. Again, Development Owner respectfully disagrees with your conclusion that the extenuating circumstances in this case "do not constitute a reasonable basis for extension."

Your next sentence states "There has been no evidence provided that any efforts were undertaken upon receipt of the Underwriting Report or the Commitment to engage the lender and syndicator and have them perform any independent analysis to address TDHCA's identified concerns about the market study and the necessary capture rate." It is true that Development Owner did not ask either Lancaster Pollard or AHP to perform a new market study on the Project, but Development Owner did ask Lancaster Pollard and AHP to perform an independent analysis of the contents of the market study prepared by AMD and to provide letters to TDHCA stating that they were prepared to proceed to closing on the financing and the sale and purchase of the low income housing tax credits, respectively. It is not true, however, that Development Owner did not engage lender and syndicator and have them perform their own review of the AMD market study. In support thereof, attached hereto as Exhibits "H" and "I" and incorporated herein by reference for all purposes are two email exchanges between Mr. Spicer and Ms. Vecchietti and between Mr. Spicer and Hunter Botts, Vice President, Acquisitions, AHP. The email exchange between Ms. Vecchietti and Mr. Spicer occurred in late June, 2015 before the Underwriting Report was issued. Mr. Spicer was aware of TDHCA's concerns at that time and he immediately sought to address those concerns. In the email exchange between Mr. Botts and Mr. Spicer, Mr. Spicer on August 19, 2015, the date TDHCA issued the Commitment Notice, tells Mr. Botts "to review the market study to be sure there are no issues down the road." In response on August 21, 2015, Mr. Botts tells Mr. Spicer he's already reviewed it and asked his "asset manager to review it as well." Mr. Botts further states, "I ran a sensitivity model and with the lower rents it still supports the proposed debt. I don't anticipate that we will have any real issues." I realize you did not have the benefit of these email exchanges between Mr. Spicer and Ms. Vecchietti and between Mr. Spicer and Mr. Botts, and I am therefore hopeful with this information that your opinion is changed about the failure of Development Owner to address timely TDHCA's concerns.

The fact that these two institutions, with reputations that each one has in the low income housing tax credit industry as both a lender and equity provider, respectively, should be sufficient to clearly establish that both companies accepted the data published in the market

Timothy Irvine, Esq.
Executive Director
Texas Department of Housing and Community Affairs
December 1, 2015
Page 7

study by AMD and were prepared to proceed to closing on the financing and the sale and purchase of the low income housing tax credits, respectively. To suggest that these two companies blindly accepted the market study of AMD and would therefore be derelict in their own underwriting analysis before committing to lend funds to the Project in the case of Lancaster Pollard or to purchase the low income housing tax credits in the case of AHP is incorrect. Both of these companies are so called "big boys" in this industry, aware of the risks and they both would not negligently commit their respective companies to proceeding in a transaction that they thought was not feasible.

Based upon (i) the extenuating circumstances and all of the stress that Mr. and Ms. Spicer were coping with in connection with the death of Ms. Spicer's mother in their home just prior to the deadline for submitting the Carryover documentation, (ii) the other significant personal issue burdening the family at the same time, and (iii) the good faith attempt by Development Owner to fulfill the underlying policy goals of TDHCA in connection with the purpose of a market study in determining the feasibility of the Project, it is Development Owner's position that both appeals should be granted and Development Owner should have additional time to provide the information requested by TDHCA. In the alternative, Development Owner respectfully requests your determining that the letters from Lancaster Pollard and AHP set forth on Exhibits "F" and "G" satisfies condition 1(b) of the Underwriting Report as of this date, which is the last date in which extension requests (absent a waiver) may be granted pursuant to Section 10.405(d) of the Rules.

IV. Waiver Requests.

In the alternative and without compromising the bases for the appeals set forth above, Development Owner hereby requests (a) a waiver of the deadline for submitting the carryover documentation from November 2, 2015 to December 17, 2015 and (b) a waiver of the requirement to provide new market studies by the lender and equity provider on the basis that the letters from Lancaster Pollard and AHP set forth on Exhibits "D" and "E," and "F" and "G," respectively, satisfies TDHCA's underlying policy of determining the feasibility of the Project and the intent of the lender and equity provider to consummate the closing of the transaction. These requests for waivers are pursuant to Section 10.207 of the Rules.

As required by Section 10.207(2) of the Rules, it is incumbent upon this request to establish that Development Owner's failure to provide the requested carryover documentation on or before November 2, 2015 was due to circumstances beyond its control. In this regard, I cite you to the discussion set forth in this letter above under the heading III. Factual Basis for Appeals. It is Development Owner's position that the death of Ms. Spicer's mother was beyond Development Owner's control and due to the great stress and distraction caused by first learning of the news of Ms. Spicer's mother's imminent demise, driving to Atlanta the day after receiving

Timothy Irvine, Esq.
Executive Director
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Page 8

the Commitment Notice, relocating Ms. Spicer's mother from Atlanta to Dallas into Ms. Spicer's home, caring for Ms. Spicer's mother in the final weeks of her life and coping with Ms. Spicer's mother's funeral on October 31, 2015, and coping with the stress and distraction of another very personal issue burdening the family at the same time, the extenuating circumstances warrant special accommodation and grace by you and/or the Board. I ask this knowing very well the stringent anti-biasness of you and the Board to grant waivers and the significant justification TDHCA has for being egregiously reluctant to grant waivers. In this instance, however, your and/or the Board's consideration and granting of the waivers is justifiable on the facts and under the Rules.

Section 10.207(2) of the Rules also makes it incumbent upon Development Owner to demonstrate that if the waivers are not granted TDHCA will not fulfill some specific requirement of law. To this end, if the waivers requested are not granted, the specific requirements of law not fulfilled are Texas Government Code Annotated ("TGCA") Section 2306.001(1)(a) which provides that one of the purposes of TDHCA is to assist local governments in providing essential public services for the residents. This would not be fulfilled if the Application and Commitment are terminated because it would impede the ability of the City of Childress, which is in support of the Project, to provide essential services to their residents. Likewise, TGCA Section 2306.001(2) would not be fulfilled which provides that one of the purposes of TDHCA is to provide for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income. Again, the denial of the waiver would result in the termination of the Application and Commitment which would therefore cause this particular statute to be unfulfilled with respect to the housing needs of individuals and families with low, very low and extremely low income and families of moderate income in and about the City of Childress area. The denial of the waiver would further cause TDHCA not to satisfy another one of its purposes set forth in TGCA Section 2306.001(3) which provides that TGCA is to contribute to the preservation, development and redevelopment of neighborhoods and communities, including cooperation and preservation of government assisted housing. The termination of the Application and Commitment for the Project would therefore interfere with the redevelopment of the neighborhood and the community in which the Project would be located in the City of Childress.

Also at issue are the policy pronouncement under TGCA Section 2306.002 in which the Texas legislature specifically seeks to have every resident of this state have a decent, safe and affordable living environment and the government at all levels should be involved in assisting individuals in obtaining a decent, safe and affordable living environment. Both of these policies set forth in TGCA Sections 2306.002(a)(1) and (2) would not be fulfilled by the denial of the waiver request as it pertains to the residents in and around the City of Childress. Furthermore, the failure of the waivers to be granted is contrary to the objective of TGCA Section 2306.002(3)(a)(3) and that the development of the Project assists in the diversification of the

Timothy Irvine, Esq.
Executive Director
Texas Department of Housing and Community Affairs
December 1, 2015
Page 9

economy in and around the City of Childress, and satisfies the policy objective further set forth therein for the development and/or expansion of commerce in the State of Texas. Lastly, with respect to TGCA Section 2306.002, it provides in subparagraph (b) that the highest priority of TDHCA 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 offered by TDHCA. The market study prepared by AMD is evidence that there is a need for affordable housing in the City of Childress which therefore would provide housing to low and very low income individuals who are not being otherwise assisted currently by other private enterprise or other governmental programs.

In addition, the failure to grant the waiver would thwart the purposes set forth in TGCA Section 2306.6701(1) which provides that TDHCA is to administer the low income housing tax program to encourage the development and preservation of appropriate types of rental housing for households that have difficulty finding suitable, affordable rental housing in the private marketplace.” Again, as evidenced by the market study prepared by AMD, there is a need for affordable housing in and around the City of Childress and but not for the development of this Project, affordable rental housing would not be available to households in or around the City of Childress area that have difficulty finding suitable affordable housing in the private marketplace.

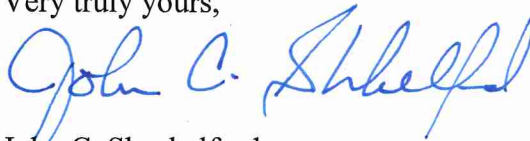
Lastly, by analogy, this particular project has as the majority owner of the General Partner a historically underutilized business ("HUB"), State Street Housing Advisors, LP, which is owned by Ms. Spicer. TGCA Section 2306.6701(4) states that one of the goals of TDHCA in administering the low income housing tax credit program is to “provide for and encourage the participation of for profit organizations in the acquisition, development and operation of affordable housing developments in urban and rural communities.” It is the desired goal of TDHCA to have HUBs involved in the acquisition, development and operation of affordable housing developments in the State of Texas as evidenced in the QAP by providing an additional one point scoring item to those allocations in which a HUB is materially involved. The denial of the waiver request would therefore cause this particular purpose of TDHCA to be unfulfilled.

It is therefore requested that a waiver be granted with respect to (i) the date of the Carryover Documentation Delivery Date and that a substitute date with respect to the Application and Commitment be December 17, 2015 and (ii) the requirement that new market studies be obtained by the lender and equity provider, respectively, and in lieu thereof accept the letters submitted by Lancaster Pollard and AHP as satisfying the underlying policy of TDHCA of having reliable evidence that the lender and equity provider have thoroughly reviewed the AMD market study for the Project, are satisfied that the Project is feasible and they intend to consummate a closing of the transaction with respect to the financing and acquisition of the tax credits, respectively.

Timothy Irvine, Esq.
Executive Director
Texas Department of Housing and Community Affairs
December 1, 2015
Page 10

As you know, these appeals and waiver requests may be granted by you as the Executive Director. It is therefore urged that you will grant one or more of these requests. If you determine that neither the two appeal requests nor the two waiver requests merit your granting any of them, then Development Owner hereby requests that your decisions be appealed to the Board and that this letter be made the basis for the appeal of your decisions for consideration at the next Board meeting scheduled for December 17, 2015.

Very truly yours,



John C. Shackelford

cc: Tom Gouris (*via email*)
Marni Holloway (*via email*)
Brent Stewart (*via email*)
James "Beau" Eccles, Esq. (*via email*)
Victoria Spicer (*via email*)
Jeff Spicer (*via email*)
Kelly Garrett (*via email*)
Michelle Snedden, Esq. (*via email*)
Lauren Osterman, Esq. (*via email*)

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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November 24, 2015

Writer's direct phone # 512-475-1676
Email: marni.holloway@tdhca.state.tx.us

Mr. Jeffrey S. Spicer
GS Childress, LP
7801 Jack Finney Blvd., #101
Greenville, TX 75402

RE: TERMINATION OF HTC APPLICATION #15093, STONEBRIDGE AT CHILDRESS, CHILDRESS,
TEXAS

Dear Mr. Spicer:

Pursuant to §10.402(f) of the 2015 Uniform Multifamily Rules, all Developments which received a Commitment, and will not be placed in service and receive IRS Form(s) 8609 in the year the Commitment was issued, must submit the Carryover documentation, in the form prescribed by the Department in the Carryover Manual, no later than the Carryover Documentation Delivery Date as identified in §11.2 of this title (relating to Program Calendar for Competitive Housing Tax Credits) of the year in which the Commitment is issued pursuant to §42(h)(1)(C) of the Code. The Carryover Documentation Delivery Date was November 2, 2015.

Commitments for credits will be terminated if the Carryover documentation has not been received by this deadline, unless an extension has been approved. A termination under this provision is final and not appealable, and immediately upon issuance of notice of termination staff is directed to award the credits to other qualified Applicants based on the approved waiting list.

You submitted the Carryover Agreement on Friday, October 30, 2015. Other than the agreement, no additional Carryover Documentation (as required in the Carryover Manual) was provided. On Monday, November 2, 2015, TDHCA staff inquired via email about your Carryover Documentation. Additionally, staff provided you a link to the Carryover Manual and submission template. Subsequently, that afternoon, you submitted Carryover Documentation.

However, you did not submit documentation in the Carryover package to address underwriting condition 1(b) of the Underwriting Report published July 15, 2015, which states: "Statements from the lender and equity provider indicating that they have performed a market study (including a statement of the level of review) and based on that study they intend to move forward with processing their application(s)." Satisfactory documentation relating to this condition was due at Carryover, as was stated in the Commitment Notice. In addition to not providing documentation related to the condition, you failed to identify the condition in your responses to Tab 7 of the Carryover package.

On Friday November 6, 2015, underwriting staff contacted you regarding the missing documentation related to condition 1(b). In response, you provided a letter from Lancaster Pollard



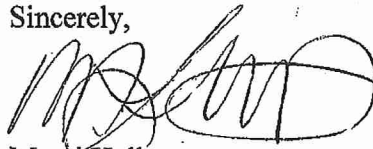
(lender) dated November 6, 2015, that afternoon in partial response to the condition. Subsequently on Monday, November 9, 2015, you provided a letter from Affordable Housing Partners, Inc. (equity provider) dated the same date also in partial response to the condition. You have indicated that Affordable Housing Partners, Inc. is a substitute equity provider for RBC Capital Markets indicated in the application.

While not submitted with the Carryover Documentation as required, underwriting staff reviewed the two letters related to condition 1(b) and determined that neither letter satisfies the underwriting condition. Neither the lender nor equity provider performed a market study as required by the condition.

Because acceptable documentation to clear the underwriting condition 1(b) was not provided by the Carryover Documentation Delivery Date and further because the documentation provided post the delivery date is not satisfactory to clear the condition the Application is hereby terminated.

If you have any questions or concerns, please contact me at 512-475-1676 or by email at marni.holloway@tdhca.state.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marni Holloway', written over a horizontal line.

Marni Holloway
Director of Multifamily Finance

Exhibit "B"



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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GOVERNOR

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Tom H. Gann
J.B. Goodwin

November 30, 2015

Writer's direct dial: 512.475.3296
Email: tim.irvine@tdhca.state.tx.us

VIA Email to: VSpicer@statestreethousing.com

Ms. Victoria Spicer
State Street Housing Advisors, L.P.
7110 Baxtershire Dr.
Dallas, TX 75230

RE: HTC APPLICATION #15093, STONEBRIDGE AT CHILDRESS

Dear Ms. Spicer:

The Texas Department of Housing and Community Affairs is in receipt of your letter dated November 30, 2015, in which you request an extension of the deadline to submit missing carryover package documents until December 17, 2015, for the above-referenced Application.

Condition 1(b) of the Underwriting Report, published on July 15, 2015, required "Statements from the lender and equity provider indicating that they have performed a market study (including a statement of the level of review) and based on that study they intend to move forward with processing their application(s)." On August 19, 2015 a tax credit commitment containing this requirement was provided and there has been no indication in the intervening one hundred three (103) days that there were any questions regarding this requirement. As set out in the commitment, documentation to satisfy this requirement was due with the Carryover package, on November 2, 2015. The carryover package submitted on October 30, 2015, contained the Carryover Agreement, but it did not include either the required supporting documentation and exhibits or any other documents addressing the underwriting condition. Staff contacted you on November 2, 2015, to request the missing documentation, and the materials you supplied did not include the required lender and equity provider statements. As a result, the Department sent you a letter terminating the application on November 24, 2015.

Your letter dated November 30, 2015, describes extenuating circumstances that prevented your timely submission of the required documents at carryover and requests an extension of the carryover submission deadline. While we are sympathetic regarding the events described, they occurred well after the Underwriting Report was issued and well after the preparation to resolve those conditions should have begun, and as such do not constitute a reasonable basis for extension. There has been no evidence provided that any efforts were undertaken upon receipt of the underwriting report or the commitment to engage the lender and syndicator and have them perform any independent analysis to address TDHCA's identified concerns about the market and the necessary capture rate.

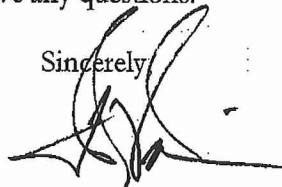


10 TAC §10.405(d) the TDHCA provides that “[C]arryover extension requests will not be granted an extended deadline later than December 1st of the year the Commitment was issued.” Based on the foregoing I do not have authority to grant your request under the rules, and accordingly, your request is denied.

You may appeal this denial to the TDHCA Governing Board. If you wish to appeal, please provide written notice including the basis for appeal no later than seven (7) calendar days from the date of this letter.

Please feel free to contact Marni Holloway, Multifamily Finance Director at 512.475.1676 or marni.holloway@tdhca.state.tx.us if you should have any questions.

Sincerely



Timothy K. Irvine
Executive Director

cc: Mr. Kelly Garrett
Mr. Jeffrey Spicer
Mr. John Shackleford



November 25, 2015

VIA Email to: Marni.Holloway@TDHCA.state.tx.us

Ms. Marni Holloway
Director of Multifamily
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711

Re: HTC Application #15093 Stonebridge at Childress

Dear Ms. Holloway:

On August 19, 2015 we received our commitment notice for HTC #15093 Stonebridge at Childress. On August 20, 2015 I was informed that my mother's liver cancer had advanced to end stage and doctors believed that she had five days to two weeks to live. We left for Atlanta the following day to be with her during her last days. After 12 days in Atlanta it became clear that she was going to live longer than expected. Since she was doing better than doctors had expected, we returned to Dallas in order to prepare for her move into our home and receive hospice and palliative care here. She arrived at our home in mid-September. On October 24, 2015 my mother lost her battle with cancer. While my mother was drawing her last breaths, we received a call regarding another highly stressful event that we will not detail here but affected us greatly throughout the next few weeks. On October 30, 2015 we submitted our carryover agreement to TDHCA. That evening we had the visitation prior to the funeral. My mother's funeral was held on October 31, 2015.

On November 2, 2015 Mr. Ben Sheppard called Jeffrey Spicer and sent an email to inform us that we had not submitted our carryover package. We submitted the package on November 2, 2015 as required by Mr. Sheppard's email just prior my mother's cremation. In our haste to put the package together in a timely manner and emotional state given the surrounding events of the recent days, we failed to include a response to underwriting condition 1(b).

On November 5, 2015 Mr. Brent Stewart notified us that we had not included underwriting condition 1(b), and we were told that we would be issued a deficiency. Immediately after that conversation with Mr. Stewart, we contacted our debt and equity providers in order to satisfy underwriting conditions. (At the same time we were continuing to prepare for and go through another highly stressful and emotional event related to our family.) Letters were submitted to Mr. Stewart as requested from the lender on Friday, Friday November 6, 2015 and from the equity provider on Monday, November 9, 2015.

I realize the extenuating circumstances are extreme (and I feel as though I am writing about someone else's strange life as I detail them). However, given these circumstances, I respectfully request an extension to December 17, 2015 for the deadline to submit the carryover package and the missed information.

Sincerely,

Victoria W. Spicer
State Street Housing Advisors, L.P.

cc:

Mr. Tom Gouris
Mr. Tim Irvine
Mr. Brent Stewart
Mr. Kelly Garrett
Mr. Jeffrey Spicer
Mr. John Shackelford

November 6, 2015

Kelly Garrett
GS Childress, LP
7801 Jack Finney Blvd., #101
Greenville, TX 75402

Re: Stonebridge at Childress, Childress, TX

Mr. Garrett:

Lancaster Pollard has been engaged to originate a USDA 538 Guarantee Program loan. We have performed a review of the market study and we have committed to preparing an application for submission to USDA. Currently, we are in the process of collecting due diligence and anticipate submitting the USDA NOFA response by mid-December.

I look forward to working with your team on this and future transactions. Please feel free to contact me if you have any questions.

Thank you,



Lisa Vecchietti
Vice President

Cell: (512) 202-1655
Phone: (512) 327-7400 x3
Email: lvecchietti@lancasterpollard.com

Exhibit "E"

Berkshire Hathaway Group
of Companies

AFFORDABLE HOUSING PARTNERS, INC.

Suite 3425
1999 Avenue of the Stars
Los Angeles, CA 90067
hbotts@berkahp.com
(225) 751-6945

November 9, 2015

Mr. Jeffrey Spicer
GS Childress, LP
7110 Baxtershire Drive
Dallas, TX 75230

Re: Stonebridge at Childress (the "Apartment Complex")
48 Units – Childress, Texas
LIHTC Market Feasibility Study dated March 10, 2015

Dear Mr. Spicer:

We have reviewed the market feasibility study for the above referenced LIHTC development prepared by Apartment Market Data, LLC for the Texas Department of Housing and Community Affairs dated March 10, 2015. We have found the market feasibility study to be acceptable, and based upon our review, we do not have any reservations proceeding with our due diligence process for our proposed equity investment in the development partnership.

We look forward to working with you in this regard.

Sincerely,
Affordable Housing Partners, Inc.



Hunter Botts
Vice President

November 30, 2015

Victoria Spicer
GS Childress, LP
c/o State Street Housing Advisors
7801 Jack Finney Blvd., #101
Greenville, TX 75402

Re: Stonebridge at Childress, Childress, TX

Ms. Spicer:

Lancaster Pollard has been engaged to originate a USDA 538 Guarantee Program loan for the above referenced development. As indicated in a previous letter dated November 6, 2015, we have performed a review of the market study and we have committed to preparing an application for submission to USDA. Currently, we are in the process of collecting due diligence and anticipate submitting the USDA NOFA response by mid-December. As requested, this letter provides additional information related to the market study review conducted by Lancaster Pollard as the lender as well as USDA underwriting requirements.

Market Study Review

Exhibit 3-7 of the Guaranteed Rural Rental Housing Program Origination and Servicing Handbook (HB-1-3565) outlines the required contents of a market study. As the loan originator for the 538 Guarantee Program, Lancaster Pollard reviews the market study for both compliance with these requirements and to determine that there is a market for the development. Review of the market study authored by Apartment MarketData and submitted with the development's 2015 9% Low Income Housing Tax Credit (LIHTC) application was conducted in July 2015.

The review revealed high occupancy levels for existing affordable housing units and market rents in excess of the proposed LIHTC limits. However, demographic information applied to capture rate calculations on a unit type basis indicated capture rates in excess of 100% for one-bedroom units restricted at 60% of AMI and two bedroom units restricted at 50% of AMI and 60% of AMI. This information does raise concerns except for the market analyst's statement that, "The HISTA data for Childress County do not accurately report the number of qualified renter households. There are currently 38 one bedroom units at 60% AMI offered in Childress with just one vacancy, but the demographics suggest there are only 10 income qualified renter households in the county. There are 30 two bedroom units at 60% offered in Childress with just one vacancy, but the demographics suggest there are only 3 income qualified renter households." Of note, HB-1-3565 does not require a capture rate analysis.

Additional anecdotal information on market demand was also provided:

The Chamber of Commerce provided: (1) 50 to 70 inquiries a month about rental housing; (2) 30% of the employees in Childress commute 30 plus miles (for jobs at the TDCJ prison, the TxDOT facility and hospital for example); and, (3) Childress is the HUB for 45 mile radius for medical, retail and entertainment (new event center opening in Fall of 2015). The new event

center will provide an indoor arena with seating for 1000, an outdoor arena, an exhibition hall and an outdoor meeting area equipped with seating, a fire pit and a covered pavilion. The groundbreaking occurred on Friday, November 7, 2014.

The Economic Development Corporation states that the "job pool has expanded by at least 125 positions over the last year".

The City Manager, Bryan Tucker, states: "We receive calls on a daily basis from people looking for rental properties. A great deal of our community's full-time workforce is having to commute thirty to forty-five miles one way to work here in Childress. In fact, we are currently working with Cottle County to create a shuttle service that would make three trips a day to and from Childress, due to the large number of their residents who work in Childress.

The apparent inconsistencies in the market study data coupled with the additional anecdotal information led to Lancaster Pollard's internal credit committee approval of moving forward with application to USDA conditioned upon engaging a second market study. We have both started compiling the USDA 538 application materials and engaged a market analyst, Bob Coe. It is our expectation that the new market study will show demand for the proposed development. Otherwise, Lancaster Pollard would not have committed the significant amount of resources necessary to complete the USDA application. The market analyst will provide an updated capture rate analysis prior to the December 17 TDHCA Board meeting.

Exhibit 3-7

Required Contents of a Market Study

The market study must include:

1. A complete description of the proposed site, including location of the land, location of services, and their distances from the site.
2. Major employment data including: the name, location, and date of establishment of any major employers within the community; the product or service of each employer; the number of employees and salary range for each employer; and business permits issued per year for the last three years.
3. Population by year, number, and total, plus the annual increase/decrease and percentage.
4. Population characteristics by age.
5. Household data by number, year, and number of persons per household.
6. Breakdown of households by owners and renters.
7. Households by income group.
8. Building permits issued per year for single and multiple unit dwellings.
9. Housing stock as defined by total number of units: one unit buildings, two or more unit buildings, mobile homes, and the number of these lacking some, or all, plumbing facilities (substandard housing).
10. A survey of existing rental housing including: name, number of units, bedroom mix, family or elderly type, year built, rent, vacancies, location, and amenities.
11. Number of rent-overburdened households.
12. A projection of housing demand based on:
 - (a) Household growth.
 - (b) Units constructed since the last census.
 - (c) Number of owned and rented units.
 - (d) Number of replacements.
 - (e) Number of persons in the eligible income range.
13. For proposals where the applicant is requesting low income housing tax credits (LIHTC), the applicant must provide the number of LIHTC units and the maximum LIHTC incomes and rents by unit size. This information will determine the levels of incomes in the market area which will support the basic rents while also qualifying the borrower for tax credits.

USDA Underwriting Process

In accordance with USDA's underwriting guidelines, HB-1-3565, Section 1, 3.2, "Prior to requesting a loan guarantee, the lender must underwrite and approve the loan. The underwriting analysis is a detailed evaluation of key elements of borrower experience and creditworthiness, market conditions, the value of improvements, and the ability of the property to attract the rents needed to generate sufficient cash flow to support the loan's debt service." As the lender, Lancaster Pollard is responsible for underwriting of the proposed loan to include market analysis. USDA reviews the application submission for missing information and performs a financial test. Upon approval, USDA issues a commitment to provide a guarantee on the loan which we then wrap with GNMA insurance. In our experience, USDA has not questioned the lender's market analysis conclusions.

Unlike FHA programs, the USDA 538 program requires lenders to take on a portion of the risk in every transaction (10% of the loan amount). It is in the best interest of Lancaster Pollard to approve and submit application only for transactions that would not pose a substantial investment risk. Furthermore, there are no timing concerns related to the USDA 538 application and the development schedule. As soon as we receive the new market study prepared by Bob Coe, Lancaster Pollard will be set to submit the loan application to USDA. Please feel free to contact me if you have any questions.

Thank you,



Lisa Vecchietti
Vice President

Cell: (512) 202-1655
Phone: (512) 590-8452
Email: lvecchietti@lancasterpollard.com

Exhibit "G"

Berkshire Hathaway Group
of Companies

AFFORDABLE HOUSING PARTNERS, INC.

Suite 3425
1999 Avenue of the Stars
Los Angeles, CA 90067
hbotts@berkahp.com
(225) 751-6945

November 30, 2015

Ms. Victoria Spicer
GS Childress, LP
7110 Baxtershire Drive
Dallas, TX 75230

Re: Stonebridge at Childress (the "Apartment Complex")
48 Units – Childress, Texas
LIHTC Market Feasibility Study dated March 10, 2015

Dear Ms. Spicer:

Our asset management team has reviewed and fully analyzed the market feasibility study for the Stonebridge at Childress LIHTC development prepared for the Texas Department of Housing and Community Affairs by Apartment Market Data, LLC dated March 10, 2015. As you know, we were asked by Jeff Spicer to review the market study on August 19, 2015. We found the market feasibility study to be absolutely acceptable for our purpose at that time and indicated we would not be ordering a new market study. While we acknowledge the market study's potentially high capture rates for several of the unit types, our underwriters have thoughtfully considered this and we do not have any reservations proceeding with the due diligence process for our equity investment in the development partnership.

Affordable Housing Partners, Inc. is not a syndicator, but is a direct buyer of tax credits. It is not our practice to commission a new market study for our investment analysis. We rely on our own internal review of all of the market data available to us. We have been in contact with the market comps and the local housing authority. We also evaluate the structure, sponsor strength and other deal characteristics as part of our underwriting and due diligence process. As you are aware, we have already had several closing calls with your team and our due diligence is fully under way. We are currently not aware of any information that would delay the anticipated closing of this transaction.

We look forward to continuing to work with you in this regard.

Sincerely,
Affordable Housing Partners, Inc.



Hunter Botts
Vice President

Exhibit "H"

From: Lisa Vecchietti <lvecchietti@lancasterpollard.com>
Subject: RE: Underwriting RFI - TDHCA #15093 Development Name: Stonebridge at Childress
Date: June 29, 2015 at 7:51:23 PM CDT
To: Jeffrey Spicer <jspicer@statestreethousing.com>

Jeff, I was planning to have a discussion later this week with my underwriter on this issue. I'll give them a call bright and early tomorrow instead. I'll give you a call soon after.

Are you contacting Dan as well?

Lisa

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Jeffrey Spicer <jspicer@statestreethousing.com>
Date: 06/29/2015 6:55 PM (GMT-06:00)
To: Lisa Vecchietti <lvecchietti@lancasterpollard.com>
Cc: "Jeffrey S. Spicer" <jspicer@statestreethousing.com>
Subject: Fwd: Underwriting RFI - TDHCA #15093 Development Name: Stonebridge at Childress

Lisa,

See item 4 below. TDHCA wants a letter from you if possible. Lets discuss.

Jeffrey Spicer
Partner
State Street Housing Development, LP
jspicer@statestreethousing.com <<mailto:jspicer@statestreethousing.com>>

[[cid:F0F9C5BE-11B9-44EE-A834-25E01C47216F](#)]

Begin forwarded message:

From: "Diamond Thompson"
<diamond.thompson@tdhca.state.tx.us<<mailto:diamond.thompson@tdhca.state.tx.us>>>
Subject: RE: Underwriting RFI - TDHCA #15093 Development Name: Stonebridge at Childress
Date: June 29, 2015 at 6:44:58 PM CDT
To: "Jeffrey Spicer" <jspicer@statestreethousing.com<<mailto:jspicer@statestreethousing.com>>>
Cc: "Kelly Garrett"
<kgarrett@statestreethousing.com<<mailto:kgarrett@statestreethousing.com>>>, "Victoria Spicer"
<vspicer@statestreethousing.com<<mailto:vspicer@statestreethousing.com>>>, "Brent Stewart"
<brent.stewart@tdhca.state.tx.us<<mailto:brent.stewart@tdhca.state.tx.us>>>, "Tom Cavanagh"
<tom.cavanagh@tdhca.state.tx.us<<mailto:tom.cavanagh@tdhca.state.tx.us>>>

Jeff,

Thank you for visiting with us regarding the market conditions relating to the underwriting of Stonebridge at Childress.

As we discussed, we have significant concerns about the individual unit capture rates for this development. The gross capture rate (22%) falls below the maximum threshold of 30% for rural areas. However, the individual unit capture rates range from 15% to 398% with 60% of the total units showing capture rates exceeding 100%. As we explained, all the capture rates are calculated using demand from renter turnover and consistent with our standard underwriting methodology and generally that of Darrell's approach.

The high capture rates create a significant confluence of concern taking into account other feasibility indicators such as breakeven calculations, achievable rents and ability to service debt. Throughout our discussion, it was learned that there may be some anecdotal information about the market that could be useful in supporting some un-documented demand in Childress.

In this regard, you will provide to us ample and sufficient backup and support for the anecdotal information. A short list is provided in the official RFI below but is not intended to be all conclusive. Provide as much support as you believe tells the market story in Brady.

It would be helpful to have this information as soon as possible so we can finish this underwriting on your deal. If you have questions for us, don't hesitate to email or call.

In the course of the Department's underwriting review of the above referenced application, an Administrative Deficiency as defined in 10 TAC §10.3(a)(2), has been identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Issues initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information are reserved for the Director of Multifamily Finance, Executive Director, and Board.

Provide anecdotal/quantifiable information and documentation as discussed. This includes and should not be limited to:

1. Cottle County Shuttle (i.e. # of riders, where are they employed)
2. Specifics on job growth (known versus potential)
3. Other new commercial or retail development (i.e. hotels)
4. Letter from RBC/Lancaster Pollard confirming that they have reviewed the market study and find it generally acceptable (particularly with regard to the unit capture rates).
5. Any information that supports the anecdotal conditions we discussed

Per §10.201(7)(A) of the Uniform Multifamily Rules, revised exhibits not specifically requested by the Underwriter WILL NOT be accepted.

Due to the volume of applications currently being evaluated we would appreciate a response to each of the above items within 3 days. If your response is not received within this timeframe, the REA Division will begin underwriting other priority applications.

All deficiencies must be corrected or clarified by 5:00 p.m. CST on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 p.m. on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day, that any deficiencies remain unresolved, the application will be treated in accordance with §10.201(7)(A) of the Uniform Multifamily Rules.

All documentation should be submitted as a whole using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Jason Burr at jason.burr@tdhca.state.tx.us <<mailto:jason.burr@tdhca.state.tx.us>> or by phone at (512)475-3986. You may also contact Nicole Fisher at nicole.fisher@tdhca.state.tx.us <<mailto:nicole.fisher@tdhca.state.tx.us>> or by phone at (512)475-2201.

All applicants should review §11.1(b) & (c), and 10.2(b) of the 2015 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 p.m. on Tuesday, July 7, 2015. Please respond to this email as confirmation of receipt****

Diamond Unique Thompson
Senior Credit Underwriter
(Technical Processes and Data Development Lead)
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.3915
Fax: 512.475.4420

Exhibit "I"

From: Hunter Botts <HBotts@berkahp.com>
Subject: RE: Stonebridge at Childress
Date: August 21, 2015 at 2:07:13 PM CDT
To: Jeffrey Spicer <jspicer@statestreethousing.com>

Jeff,

Thanks for giving us the opportunity to review this. Very helpful. I looked at it and asked our asset manager to review it as well. We note that the 60% rents in the proforma are slightly above the market average. I ran a sensitivity model and with the lower rents it still supports the proposed debt. I don't anticipate that we will have any real issues. We would look forward to partnering with you guys on this deal.

Thanks again. Have a good weekend. I look forward to speaking with you again soon.

Hunter Botts
Vice President, Acquisitions
Affordable Housing Partners, Inc.
Office: (225) 751-6945
Mobile: (225) 938-5250
hbotts@berkahp.com

Berkshire Hathaway Group of Companies

From: Jeffrey Spicer [<mailto:jspicer@statestreethousing.com>]
Sent: Wednesday, August 19, 2015 8:34 AM
To: Hunter Botts <HBotts@berkahp.com>
Cc: Jeffrey S. Spicer <jspicer@statestreethousing.com>
Subject: Re: Stonebridge at Childress

Hunter,

It is a great offer we are strongly considering. We would like you to review the market study to be sure there are no issues down the road.

Jeffrey Spicer
Partner
State Street Housing Development, LP
jspicer@statestreethousing.com

1814

22-81 184
1110

STATE STREET HOUSING
7110 BAXTERSHERE DR.
DALLAS, TX 75230-3140

PAY TO THE ORDER OF

TDHCA

DATE

12/01/2015

two thousand five hundred & 00/100

\$ 2500

DOLLARS

CHASE

JPMorgan Chase Bank, N.A.
www.Chase.com

15093 SB Childress

FOR

[Signature]

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ADSS TO ACCOUNTING

RECEIVED

DEC 02 2015

Texas Department of Housing
and Community Affairs



December 1, 2015

VIA Email to: Marni.Holloway@TDHCA.state.tx.us

Ms. Marni Holloway
Director of Multifamily
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711

Re: HTC Application #15093 Stonebridge at Childress

Dear Ms. Holloway:

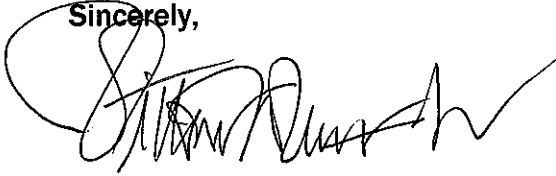
On August 19, 2015 we received our commitment notice for HTC #15093 Stonebridge at Childress. On August 20, 2015 I was informed that my mother's liver cancer had advanced to end stage and doctors believed that she had five days to two weeks to live. We left for Atlanta the following day to be with her during her last days. After 12 days in Atlanta it became clear that she was going to live longer than expected. Since she was doing better than doctors had expected, we returned to Dallas in order to prepare for her move into our home and receive hospice and palliative care here. She arrived at our home in mid-September. On October 24, 2015 my mother lost her battle with cancer. While my mother was drawing her last breaths, we received a call regarding another highly stressful event that we will not detail here but affected us greatly throughout the next few weeks. On October 30, 2015 we submitted our carryover agreement to TDHCA. That evening we had the visitation prior to the funeral. My mother's funeral was held on October 31, 2015.

On November 2, 2015 Mr. Ben Sheppard called Jeffrey Spicer and sent an email to inform us that we had not submitted our carryover package. We submitted the package on November 2, 2015 as required by Mr. Sheppard's email just prior my mother's cremation. In our haste to put the package together in a timely manner and emotional state given the surrounding events of the recent days, we failed to include a response to underwriting condition 1(b).

On November 5, 2015 Mr. Brent Stewart notified us that we had not included underwriting condition 1(b), and we were told that we would be issued a deficiency. Immediately after that conversation with Mr. Stewart, we contacted our debt and equity providers in order to satisfy underwriting conditions. (At the same time we were continuing to prepare for and go through another highly stressful and emotional event related to our family.) Letters were submitted to Mr. Stewart as requested from the lender on Friday, Friday November 6, 2015 and from the equity provider on Monday, November 9, 2015.

I realize the extenuating circumstances are extreme (and I feel as though I am writing about someone else's strange life as I detail them). However, given these circumstances, I respectfully request an extension to December 17, 2015 for the deadline to submit the carryover package and the missed information.

Sincerely,

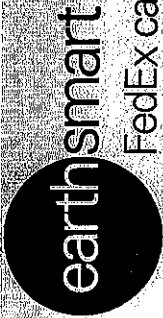
A handwritten signature in black ink, appearing to read 'Victoria W. Spicer', written over a large, stylized circular flourish.

Victoria W. Spicer
State Street Housing Advisors, L.P.

cc:

Mr. Tom Gouris
Mr. Tim Irvine
Mr. Brent Stewart
Mr. Kelly Garrett
Mr. Jeffrey Spicer
Mr. John Shackelford

EXPRESS



FedEx carbon-1 envelope shipping

CHECK ENCLOSED
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ORIGIN/DTR/A (214) 349-0707
JEFFREY SPICER
STATE STREET HOUSING DEVELOPME
7110 BAYTERS HIRE DR
DALLAS TX 75230
UNITED STATES US

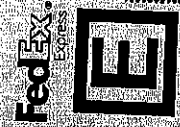
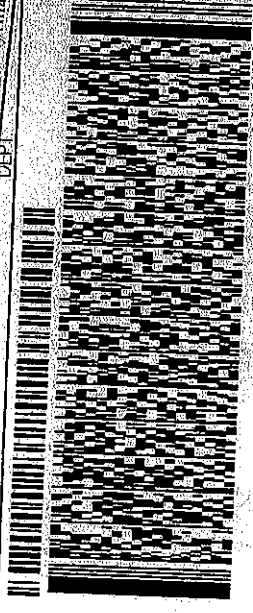
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ACTWGT: 0.25 LB
CAD: 100382252/NET3670
BILL SENDER

TO: MARNI HOLLOWAY
TDHCA
221 E 11TH ST

AUSTIN TX 78701
(512) 475-3800
INV. PO.

RECEIVED
DEC 02 2015
REF: SEC-HLD/Secs Department of Housing
and Community Affairs
DEPT.

539/11309/100

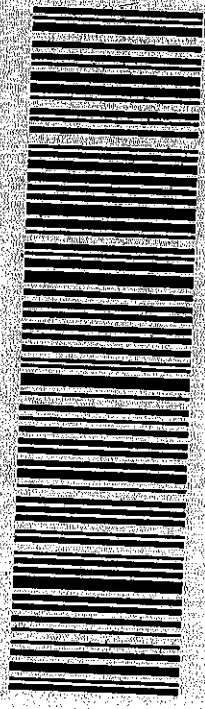


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STANDARD OVERNIGHT

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7

BOARD ACTION REQUEST
HOME PROGRAM DIVISION
DECEMBER 17, 2015

Presentation, Discussion, and Possible Action on amendments extending the contract period for HOME Household Commitment Contracts issued under Reservation Agreements issued to the City of Paris and WREM Literacy Group for the reconstruction of single family homes that are located in areas subsequently designated as federal declared disaster areas, and Board authorization for staff to consider approving future extension requests for activities in federally declared disaster areas.

RECOMMENDED ACTION

WHEREAS, the Department executed Reservation System Participant (“RSP”) Agreements with the City of Paris (“City”) and WREM Literacy Group (“WREM”) on January 28, 2013, and May 9, 2013, respectively;

WHEREAS, these Administrators have five activities that are located in areas that, subsequent to their program selection, were declared federal disaster areas, and are now experiencing associated delays in completing those construction activities and have requested an additional three-month extension to complete construction on those five activities; and

WHEREAS, Household Commitment Contract (“HCC”) Amendments were previously executed for these five activities extending the end dates by three months to various dates, as authorized by the HOME Director and as permitted by the HOME Rules;

NOW, therefore, it is hereby

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 an amendment to extend the end dates of the specific HOME HCCs as presented in this meeting and

FURTHER RESOLVED, that the Executive Director and his designees be and each them hereby are authorized, empowered, and directed, for and on behalf of the Department, to consider and if they find that disaster related delays necessitate extensions, to grant extension requests for other activities with addresses inside Federal Disaster Declaration counties designated in 2015, for a period not to exceed an additional three (3) months and without requiring further Board Action as is currently required under 10 Texas Administrative Code (“TAC”) §23.27(f) of the Single Family HOME Program Rules.

BACKGROUND

The Department has been receiving an unusually high number of extensions requests that exceed the limitations of the HOME Rules which states that the Executive Director or his/her designee or the HOME Program Director may approve one three-month time extension to the Commitment of Funds to allow for the completion of construction. The reasons for the requests are varied; however the common thread between them is the unusual amount of rain received in the spring and fall of 2015, which in many areas of the state resulted in Federal Disaster Declarations.

In the case of each of the five amendment requests presented in this Action Request, construction activities were occurring in areas subsequently designated as Federal Declared disaster areas due to heavy rains and flooding. The Administrators of these activities have stated that they experienced unparalleled rainfall during the construction phase. The City of Paris also experienced contractor issues as the original contractor procured to complete construction cancelled his construction contracts and the City was required to procure a new contractor to complete activities. In addition to significant rainfall, WREM also experienced some delays with the completion of sewer taps and water meters. Both contractors have some confidence that construction can be completed by the current end date; however, with the possibility of a continuing rainy season through winter and the holidays, they are proactively requesting extensions to address the possibility of continued weather related delays.

Both Administrators submitted extension requests that were denied by staff in accordance with 10 TAC §23.27(f), which states that the Department is only authorized to approve one three-month time extension to a HCC to allow for the construction completion.

Administrator	Activity	Address	Start Date	End Date	Amended	Requested
City of Paris 1001776	40156	1846 E Booth St Lamar County	1/16/2015	10/15/2015	1/15/2016	4/15/2016
	40173	1107 Grove St Paris, Lamar County	1/23/2015	10/22/2015	1/22/2016	4/22/2016
	40174	817 Campbell St Paris, Lamar County	1/23/2015	10/22/2015	1/22/2016	4/22/2016
	40175	1360 Campbell St Paris, Lamar County	1/23/2015	10/22/2015	1/22/2016	4/22/2016
WREM 1001897	40158	1943 3rd St Hempstead, Waller County	1/16/2015	10/15/2015	1/15/2016	4/15/2016

In accordance with the Department's Administrative Rules at 10 TAC §1.7(b)(2), both Administrators timely appealed the denial decision to TDHCA's Executive Director and TDHCA's Governing Board as allowed by 10 TAC §1.7(d). Accordingly, the Department is presenting this matter to the Governing Board for consideration.

Based on the documentation of progress and contingency plans detailed in the extension requests, staff believes the homes can be fully constructed if the request for additional time is approved. Because the cumulative total of this extension request exceeds 12 months, the Executive Director does not have authority to grant the extension, and Board approval is necessary. Staff recommends approval of the amendment requests as detailed in the table above.