BOARD BOOK OF FEBRUARY 22, 2018

J. B. Goodwin, Chair

Leslie Bingham Escareño, Vice-Chair

Paul Braden, Member

Asusena Reséndiz, Member

Sharon Thomason, Member

Leo Vasquez, III, Member

Texas Department of Housing and Community Affairs

PROGRAMMATIC IMPACT IN FISCAL YEAR 2017

The Texas Department of Housing and Community Affairs ("TDHCA") is the State of Texas' lead agency responsible for affordable housing and administers a statewide array of programs to help Texans become more independent and self-sufficient. Short descriptions and key impact measures for these programs – including the total number of households/individuals to be served and total funding either administered or pledged for Fiscal Year 2017 (September 1, 2016, through August 31, 2017) – are set out below:

Multifamily New Construction & Rehabilitation:
Provides mechanisms to attract investment capital and to make available significant financing for the construction and rehabilitation of affordable rental housing through the Housing Tax Credit, Multifamily Bond, and Multifamily Direct Loan programs.

Total Households Served: 8,583
Total Funding: $886,263,818*

Single Family Homebuyer Assistance, New Construction, Rehabilitation, Bootstrap, and Contract for Deed:
Assists with the purchase, construction, repair, or rehabilitation of affordable single family housing by providing grants and loans through the HOME Single Family Development, HOME Homeowner Rehabilitation Assistance, HOME Homebuyer Assistance, Amy Young Barrier Removal, and Texas Bootstrap programs. Stabilizes homeownership in colonias through the HOME Contract for Deed program.

Total Households Served: 326
Total Funding: $17,323,164

Single Family Homeownership Program:
Provides down payment and closing cost assistance, mortgage loans, and mortgage credit certificates to eligible households through the My First Texas Home and Mortgage Credit Certificates programs.

Total Households Served: 5,870
Total Funding: $870,405,445

Rental Assistance:
Provides rental, security, and utility deposit assistance through HOME Tenant Based Rental Assistance, and rental assistance payments through HUD Section 8 Housing Choice Vouchers and Section 811 Project Based Rental Assistance.

Total Households Served: 1,678
Total Funding: $13,668,121

Weatherization Assistance Program:
Provides funding to help low-income households control energy costs through the installation of energy efficient materials and through energy conservation education.

Total Households Served: 3,349
Total Funding: $24,379,360

Homelessness
Funds local programs and services for individuals and families at risk of homelessness or experiencing homelessness. Primary programs are the Homeless Housing and Services program and the Emergency Solutions Grants program.

Total Individuals Served: 36,555
Total Funding: $15,009,483

Comprehensive Energy Assistance Program:
Provides energy utility bill assistance to households with an income at or below 150% federal poverty guidelines.

Total Households Served: 134,465
Total Funding: $94,482,215

Community Services Block Grant:
Provides administrative support for essential services for low-income individuals through Community Action Agencies.

Total Individuals Served: 492,727
Total Funding: $31,237,527

Sources: this data comes from the TDHCA 2018 State Low Income Housing Plan and Annual Report draft. Multifamily New Construction & Rehab data come from the most recent award logs from FY2017 for 4%, 9%, and Direct Loan Applications. Because Multifamily logs are updated on a monthly basis to reflect the changing status of Applications, this impact statement will also be updated on a monthly basis.

Note: Some households may be served by more than one TDHCA program.

*FY2017 data for the Multifamily program is artificially low, largely due to federal tax reform's timing effects on 4% housing tax credit developments. A significant amount of 4% activity was delayed into the 4 months after FY2017 (Sept., Oct., and Nov., and Dec.).

EQUAL HOUSING OPPORTUNITY

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
GOVERNING BOARD MEETING

A G E N D A
8:00 AM
February 22, 2018

John H. Reagan Building
JHR 140, 105 W 15th Street
Austin, Texas 78701

CALL TO ORDER
ROLL CALL — **J. B. Goodwin, Chairman**
CERTIFICATION OF QUORUM

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.***

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) Presentation, discussion, and possible action on Board meeting minutes summary for December 14, 2017 — **J. Beau Eccles**, Board Secretary

LEGAL

b) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Third & Florence (HTC 91130 / CMTS 995) — **Jeff Pender**, Deputy General Counsel

c) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Parkview Place Apartments (HOME 535031 / CMTS 2652)

ASSET MANAGEMENT

d) Presentation, discussion and possible action regarding a change in the ownership structure of the Development Owner, Developer and Guarantor prior to issuance of IRS Form(s) 8609 — **Raquel Morales**, Director, Asset Management
12415 Gardens of San Juan Square San Antonio

e) Presentation, discussion and possible action regarding a material amendment to Housing Tax Credit Land Use Restriction Agreement ("LURA")
99053 Killeen Veranda Killeen

f) Presentation, discussion and possible action regarding a material amendment to the Housing Tax Credit Application and Waiver of 10 TAC §10.405(a)(7)(A)
15119 Liberty Square and Liberty Village Groesbeck

COMMUNITY AFFAIRS

g) Presentation, discussion, and possible action on the reprogramming of Program Year ("PY") 2017 Community Services Block Grant ("CSBG") Discretionary funds

Michael DeYoung
Director
Community Affairs

h) Presentation, discussion, and possible action on approval of the Draft Federal Fiscal Year ("FFY") 2018 Department of Energy ("DOE") Weatherization Assistance Program ("WAP") State Plan for Public Comment

HOUSING RESOURCE CENTER

i) Presentation, discussion, and possible action on the draft 2018 State of Texas Consolidated Plan: One-Year Action Plan

Elizabeth Yevich
Director
Housing Resource Center

MULTIFAMILY FINANCE

j) Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer

Marni Holloway
Director
Multifamily Finance

17438	McKinney Falls	Austin ETJ
17448	Sun Plaza Apartments	El Paso
17449	Quail Chase	Houston ETJ

k) Presentation, discussion and possible action on Inducement Resolution No. 18-014, Santa Maria Apartments, Fairway Village Apartments, and Forestwood Apartments, for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority on the 2018 Waiting List

l) Presentation, discussion, and possible action regarding an award of Direct Loan funds from the 2017-1 Multifamily Direct Loan Notice of Funding Availability

17511	AHA! at Briarcliff	Austin

RULES

m) Presentation, discussion, and possible action on adoption of the 2018 State of Texas Low Income Housing Plan and Annual Report, and an order adopting the repeal and new 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 in the *Texas Register*

Elizabeth Yevich
Director
Housing Resource Center

n) Presentation, discussion, and possible action adopting new 10 TAC §1.5, Waiver Applicability in the Case of Federally Declared Disasters, and directing that it be published for adoption in the *Texas Register*

Brooke Boston
Deputy Executive Director

o) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 5, Community Affairs Programs: Subchapter A, General Provisions; Subchapter B, Community Services Block Grant ("CSBG"); Subchapter D, Comprehensive Energy Assistance Program; Subchapter E, Weatherization Assistance Program General; Subchapter F, Weatherization Assistance Program Department of Energy; Subchapter G, Weatherization Assistance Program Low-Income Home Energy Assistance Program; Subchapter J, Homeless Housing and Services Program ("HHSP"); Subchapter K, Emergency Solutions Grants ("ESG"); Subchapter L, Compliance Monitoring, and directing that they be published for public comment in the *Texas Register* while renaming Chapter 5 Community Affairs Programs to Chapter 5 Section 8 Housing Choice Voucher Program

Michael DeYoung
Director
Community Affairs

REPORT ITEMS

The Board accepts the following reports:

1. Report to the Board on a contract renewal for the Community Action Partnership ("CAP")

Brooke Boston
Deputy Executive Director

2. TDHCA Outreach Activities, (January 2018 – February 2018) — **Michael Lyttle**, Chief of External Affairs
3. Report on the Department's 1st Quarter Investment Report in accordance with the Public Funds Investment Act ("PFIA") — **David Cervantes**, Chief Financial Officer
4. Report on the Department's 1st Quarter Investment Report relating to funds held under Bond Trust Indentures — **Monica Galuski**, Chief Investment Officer
5. Report on change in reporting to the Internal Revenue Service ("IRS") regarding eligible basis — **Patricia Murphy**, Chief of Compliance

ACTION ITEMS

ITEM 2: MULTIFAMILY FINANCE

Marni Holloway
Director
Multifamily Finance

a) Presentation, discussion and possible action regarding site eligibility under 10 TAC §10.101(a)(2) related to Undesirable Site Features

18259	Cannon Courts	Bangs

b) Presentation, discussion and possible action regarding site eligibility under 10 TAC §10.101(a)(3) related to Undesirable Neighborhood Characteristics for Residences of Stillwater in Georgetown

c) Presentation, discussion, and possible action regarding extension of due date for local government resolutions for affected applications in the 2018 Competitive Housing Tax Credit Application Cycle

d) Presentation, discussion, and possible action on Timely Filed Appeals under any of the Department's Program Rules

18269	2400 Bryan Street	Dallas
18159	Rutherford Park	Houston
18161	Monroe Crossing	Houston
18164	Lafayette Park Apartments	La Porte

e) Presentation, discussion, and possible action regarding an amendment to the Construction Loan Agreement for TX Majors Place Apartments, LP

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

EXECUTIVE SESSION

J.B. Goodwin
Chair

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

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 Terri Roeber, ADA Responsible Employee, at 512-475-3959 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.

NOTICE AS TO HANDGUN PROHIBITION DURING THE OPEN MEETING OF A GOVERNMENTAL ENTITY IN THIS ROOM ON THIS DATE:

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista.

NONE OF THESE RESTRICTIONS EXTEND BEYOND THIS ROOM ON THIS DATE AND DURING THE MEETING OF THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

1a

BOARD ACTION REQUEST

BOARD SECRETARY

FEBRUARY 22, 2018

Presentation, discussion, and possible action on Board meeting minutes summary for December 14, 2017

RECOMMENDED ACTION

Approve the Board meeting minutes summary for December 14, 2017

RESOLVED, that the Board meeting minutes summary for December 14, 2017, is hereby approved as presented.

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
December 14, 2017

On Thursday, the fourteenth day of December 2017, at 8:03 a.m., the regular 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 of the John H. Reagan Building, 105 W. 15th Street, Austin, Texas.

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

- J.B. Goodwin
- Lesley Bingham-Escareño
- Paul A. Braden
- Sharon Thomason
- Leo Vasquez

J.B. Goodwin served as Chair, and James "Beau" Eccles, TDHCA General Counsel, served as secretary.

1) The Board unanimously adopted a resolution recognizing December 21, 2017, as Homeless Persons Memorial Day in Texas

2) Tom Gouris, TDHCA Deputy Executive Director, provided a summary of recent staff national recognitions and achievements from the TDHCA Bond Finance Division.

3) The Board unanimously approved the Consent Agenda with additional information being provided by Mr. Eccles on Item 1(k) – Presentation, discussion and possible action on Determination Notices for Housing Tax Credits with another Issuer:

17407	Shadow Ridge	Round Rock
17411	Villa Americana	Houston
17420	Del Valle 969	Austin ETJ
17429	Canyons at 45 West	Amarillo
17432	Valle Verde	El Paso
17433	Sandoval	El Paso
17435	Lakeview Senior Living	Rowlett
17436	Boyce Lane	Austin ETJ
17437	Trails at Leon Creek	San Antonio

Staff also read into the record registered opinion from Edward L. Castor, Camino Bandera Homeowners Association, in opposition to staff recommendation on #17437.

4) Action Item 3(a) – Report on the review of the Contract for Deed Conversion Program – was presented by Mark Scott, TDHCA Director of Internal Audit. The Board heard the report and took no action.

5) Action Item 3(b) – Report on the meeting of the Audit and Finance Committee – was presented by Mr. Scott. The Board heard the report and took no action.

6) Action Item 4 – Presentation, discussion, and possible action to accept the External Peer Review of the Internal Audit Division – was presented by Mr. Scott. The Board unanimously approved staff recommendation to accept the review.

7) Action Item 5 – Presentation, discussion, and possible action on an order adopting the amended 10 TAC Chapter 13 concerning the Multifamily Direct Loan Program Rule, and directing its publication in the *Texas Register* – was presented by Marni Holloway, TDHCA Director of Multifamily Finance. The Board unanimously approved staff recommendation to publish the final amended rule.

8) Action Item 6(a) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Vista on Gessner) Series 2018 Resolution No. 18-012 and a Determination Notice of Housing Tax Credits – The Board unanimously approved staff recommendation to issue the bonds and determination notice.

9) Action Item 6(b) – Presentation, discussion, and possible action on a request for the extension of the placement in service deadline under 10 TAC §11.6(5) of the 2017 Qualified Allocation Plan ("QAP") related to Credits Returns Resulting from Force Majeure Events for 15241 Trails of Brady, Brady; and 15247 City Square Apartment Homes, Garland – was presented by Ms. Holloway with additional information from Tim Irvine, TDHCA Executive Director, and Mr. Eccles. Following public comment (listed below), the Board unanimously approved staff recommendation for the extension for 15241 Trails of Brady and approved an extension for 15247 City Square Apartment Homes, Garland. Staff did not have a recommendation on the latter item.

- Dru Childre, Trails of Brady, testified in support of staff recommendation on 15241 Trails of Brady
- Melissa Fisher, RISE Residential, provided information relevant to the extension request from 15247 City Square Apartment Homes and asked the Board to grant the extension request
- C. Kent Conine, Dallas builder-developer, provided information on the construction labor shortage in the Dallas-Fort Worth area and also asked the Board to approve the extension request from 15247 City Square Apartment Homes
- Dewey Stevens, RISE Construction, provided information relevant to the extension request from 15247 City Square Apartment Homes
- John Shackelford, attorney representing City Square Apartment Homes, provided information relevant to the extension request from 15247 City Square Apartment Homes and asked the Board to grant the extension request.

10) In the midst of the deliberation on Action Item 6(b), the Board went into Executive Session at 9:00 a.m. and reconvened in open session at 9:25 a.m. No action was taken in Executive Session.

11) Action Item 6(c) – Presentation, discussion, and possible action to adopt the 2018 Multifamily Programs Procedures Manual – was presented by Ms. Holloway with additional information from Mr. Eccles. Following public comment (listed below), the Board unanimously approved staff recommendation to adopt the manual.

- Valentin DeLeon, DMA Development, testified asking for clarification on several items in the manual

- Sarah Anderson, S. Anderson Consulting, testified asking for clarification on several items in the manual

12) Action Item 6(d) – Presentation, discussion, and possible action on timely filed appeals under 10 TAC §10.902 of the Department's Multifamily Program Rules relating to Fee Schedule, Appeals and other Provisions for 17107 The Residence at Wolfforth, Wolfforth – was presented by Ms. Holloway with additional information from Mr. Irvine, Megan Sylvester, and Andrew Sinnott. Staff did not have a recommendation on the matter. Following public comment (listed below), the Board voted unanimously to approve the appeal.

- Scott Marks, attorney for Coats Rose, testified asking the Board to grant the appeal

13) Action Item 6(e) – Presentation, discussion, and possible action regarding approval for publication in the *Texas Register* of the 2018-1 Multifamily Direct Loan Notice of Funding Availability – was presented by Ms. Holloway. The Board unanimously approved staff recommendation to publish the funding notice.

14) Action Item 6(f) – Presentation, discussion, and possible action on Determination Notices for Housing Tax Credits with another Issuer and an Award of Direct Loan Funds for 17404 Commons at Goodnight, Austin – was presented by Mr. Sinnott. The Board unanimously approved staff recommendation to issue the determination notice and make the award.

15) Action Item 6(g) – Presentation, discussion, and possible action regarding awards of Direct Loan funds from the 2017-1 Multifamily Direct Loan Notice of Funding Availability for 17500 The Works at Pleasant Valley Phase II, Austin; and 17509 Poesta Creek Apartments, Beeville – was presented by Mr. Sinnott. The Board unanimously approved staff recommendation to make the awards.

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 10:14 a.m. The next meeting is set for Thursday, January 18, 2018.

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Secretary

Approved:

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Chair

1b

BOARD ACTION REQUEST

LEGAL DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Third & Florence (HTC 91130 / CMTS 995)

RECOMMENDED ACTION

WHEREAS, Third & Florence, owned by Roberto Morales ("Owner"), has uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, on January 30, 2018, Owner 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 $500 to be paid within 30 days of the date the Agreed Final Order is signed and the remaining $1,000 to be forgiven if all violations are resolved as specified in the Agreed Final Order on or before May 23, 2018;

WHEREAS, unresolved compliance findings include Uniform Physical Condition Standards ("UPCS") violations identified during the 2015 inspection; two annual reporting violations; a pre-onsite documentation violation; an Affirmative Marketing Plan violation; a Written Policies and Procedures violation; a utility allowance violation; and seven Household Income Above Limit Upon Initial Occupancy violations; 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 Third & Florence, 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

Roberto Morales ("Owner") is the owner of Third & Florence ("Property"), a low income apartment complex composed of seven units, located in El Paso County. The property is self managed.

The Property is subject to a Land Use Restriction Agreement ("LURA") signed by Owner in consideration for a housing tax credit allocation in the amount of $5,763 to acquire, rehabilitate, and operate the Property.

The following compliance violations identified during 2015 and 2017 were referred for an administrative penalty and are unresolved:

1. 2015 UPCS violations;
2. 2015 Annual Owner's Compliance Report violation, relating to Part B only;
3. 2016 Annual Owner's Compliance Report violation, relating to Part B only;
4. Pre-onsite documentation violation;
5. Failure to maintain Written Policies and Procedures including tenant selection criteria;
6. Failure to maintain an Affirmative Marketing Plan and evidence of marketing efforts;
7. Failure to establish a utility allowance; and
8. Household income violations for failure to screen households for eligibility.

Owner participated in an informal conference with the Enforcement Committee on January 30, 2018. Owner believed the LURA had a twenty-year term, and indicated that all violations are the result of that misunderstanding. The LURA is currently in year twenty-six of a thirty-year term. Owner also indicated that the majority of his tenants are Section 8 voucher holders; so it is probable that tenants will income qualify. Multiple TDHCA staff members have advised Owner of his misunderstanding, however, and no corrections have been submitted to date despite being offered an opportunity to submit corrections to the Enforcement Committee to avoid an informal conference. Owner agreed to sign an Agreed Final Order with the following terms:

1. Owner is assessed a $1,500 administrative penalty, subject to partial forgiveness as indicated below;
2. Owner must submit $500 portion of the administrative penalty within 30 days of Board approval of the Order;
3. Owner must correct all violations as indicated in the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before May 23, 2018;
4. If Owner complies with all requirements and addresses all violations as required, the remaining administrative penalty in the amount of $1,000 will be forgiven. If violations remain uncorrected, the penalty is divisible as follows: $250 for failure to correct the Affirmative Marketing Plan violation, $250 for failure to correct the Written Policies and Procedures violation, and $500 for failure to correct UPCS or other file monitoring violations. The Department will send an invoice for the applicable portion(s) of the penalty owed; and
5. If Owner violates any other provisions 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. This will be a reportable item of consideration under previous participation for any new award to the principals of the owner.

ENFORCEMENT ACTION AGAINST ROBERTO MORALES WITH RESPECT TO THIRD & FLORENCE (HTC FILE # 91130 / CMTS # 995)	§ § § § § § §	BEFORE THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 22nd day of February, 2018, the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA" or "Department") considered the matter of whether enforcement action should be taken against **ROBERTO MORALES,** an individual ("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, Respondent was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of $5,763 to build and operate Third & Florence ("Property") (HTC file No. 91130 / CMTS No. 995 / LDLD No. 392).

2. Respondent signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective October 29, 1991, and filed of record at Document Number 055997 at Volume 2384, Page 0126, of the Official Public Records of Real Property of El Paso County, Texas ("Records").

3. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations[1,2]*:*

4. A Uniform Physical Condition Standards ("UPCS") inspection was conducted on July 20, 2015. Inspection reports showed numerous serious property condition violations, a violation of 10 TAC §10.621 (Property Condition Standards). Notifications of noncompliance were sent and an October 22, 2015, corrective action deadline was set. No response was received and the violations at Exhibit 1 remain unresolved.

5. On May 6, 2016, TDHCA sent notice that Respondent had failed to timely submit their 2015 Annual Owner's Compliance Report, a violation of 10 TAC §10.607 (Reporting Requirements), which requires each development to submit an Annual Owner's Compliance Report. The report has not been submitted.

6. On May 18, 2017, TDHCA sent notice that Respondent had failed to timely submit their 2016 Annual Owner's Compliance Report, a violation of 10 TAC §10.607 (Reporting Requirements), which requires each development to submit an Annual Owner's Compliance Report. The report has not been submitted.

7. An on-site monitoring review was conducted on June 15, 2017, 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 September 21, 2017, corrective action deadline was set, however, the following violations were not corrected before corrective action deadline:

    a. Respondent failed to submit pre-onsite documentation, a violation of 10 TAC §10.607 (Reporting Requirements) and §10.618 (Onsite Monitoring), which require all developments to submit necessary documentation as requested in preparation for an upcoming monitoring review. Documentation includes an Entrance Interview Questionnaire, Affirmative Marketing Plan with outreach marketing efforts, and Written Policies and Procedures including Tenant Selection Criteria;

    b. Respondent failed to provide a compliant affirmative marketing plan, a violation of 10 TAC §10.617 (Affirmative Marketing Requirements), which requires developments to maintain an affirmative marketing plan that meets minimum requirements and to distribute marketing materials to selected marketing organizations that reach groups identified as least likely to apply and to the disabled;

    c. Respondent failed to maintain written policies and procedures, including tenant selection criteria, a violation of 10 TAC §10.610 (Written Policies and Procedures), which requires all developments to establish written tenant selection criteria that meet minimum TDHCA requirements;

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1 Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC §§ 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.

2 All violations listed above are current as of February 13, 2018.

d. Respondent failed to establish a utility allowance for the property, a violation of 10 TAC §10.614 (Utility Allowances), which requires all developments to establish a utility allowance; and

e. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for all seven units, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Sections 3g and 4 of the LURA, which require screening of tenants to ensure qualification for the program. If proper screening is not completed, the households are not considered low income tenants.

8. The following violations remain outstanding at the time of this order:

a. UPCS violations described in FOF #4;

b. 2015 Annual Owner's Compliance Report violation described in FOF #5;

c. 2016 Annual Owner's Compliance Report violation described in FOF #6;

d. Pre-onsite violation described in FOF #7.a;

e. Affirmative marketing plan violation described in FOF #7.b;

f. Written Policies and Procedures violation described in FOF #7.c;

g. Utility allowance violation described in FOF #7.d; and

h. Household income violations described in FOF #7.d.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC §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 TAC §10.621 and I.R.C. §42, as amended, in 2015 by failing to comply with HUD's Uniform Physical Condition Standards when major violations were discovered and not timely corrected.[3]

5. Respondent violated 10 TAC §10.607 in 2016 and 2017 by failing to submit Annual Owner's Compliance Reports for the years 2015 and 2016;

[3] HUD's Uniform Physical Condition Standards are the standards adopted by TDHCA pursuant to 10 TAC 10.621(a)

6. Respondent violated 10 TAC §10.607 and §10.618 in 2017, by not submitting pre-onsite documentation including a unit status report and entrance interview questionnaire in preparation for the monitoring review;

7. Respondent violated 10 TAC §10.617 in 2017, by failing to provide a complete affirmative marketing plan;

8. Respondent violated 10 TAC §10.610 in 2107, by not maintaining written policies and procedures, including tenant selection criteria, meeting TDHCA requirements;

9. Respondent violated 10 TAC §10.614 in 2017 by failing to properly calculate and implement a utility allowance;

10. Respondent violated 10 TAC §10.611 and Sections 3g and 4 of the LURA in 2017, by failing to provide documentation that household incomes were within prescribed limits upon initial occupancy for any of the seven units;

11. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and §2306.267.

12. 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.

13. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code § 2306.053 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.

14. An administrative penalty of $1,500 is an appropriate penalty in accordance with 10 TAC §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 $1,500, subject to partial deferral as further ordered below.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay a $500 portion of the assessed administrative penalty by cashier's check payable to the "Texas Department of Housing and Community Affairs" within thirty days of the date this Agreed Final Order. is approved by the Board.

IT IS FURTHER ORDERED that Respondent shall repair all UPCS violations as indicated in the exhibits and submit work orders in the correct format, and including all necessary parts, to document the corrections to TDHCA on or before May 23, 2018.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the exhibits and submit full documentation of the corrections to TDHCA on or before May 23, 2018.

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 remaining assessed administrative penalty and the remaining $1,000 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 provisions of this Agreed Final Order, then the $1,000 remaining administrative penalty will be treated as follows:

- If the property is sold before the terms and conditions of this Agreed Final Order have been fully satisfied, the full remaining administrative penalty of $1,000 shall be due;
- If the Affirmative Marketing Plan violation is not corrected, a $250 portion of the remaining administrative penalty shall be due;
- If the Written Policies and Procedures violation is not corrected, a $250 portion of the remaining administrative penalty shall be due;
- If any other UPCS or file monitoring violation is not corrected, a $500 portion of the remaining administrative penalty shall be due;
- Any remaining administrative penalty amount that does not come due as indicated above shall be forgiven; and
- 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 11th St Austin, Texas 78701	TDHCA Attn: Ysella Kaseman P.O. Box 13941 Austin, Texas 78711

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC §10.406, a copy of which is included at Exhibit 5, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

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

Approved by the Governing Board of TDHCA on February 22, 2018.

By: ______________________________
Name: J.B. Goodwin
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 TRAVIS §

Before me, the undersigned notary public, on this 22nd day of February, 2018, personally appeared J.B. Goodwin, 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 22nd day of February, 2018, 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 the Property, 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:

By: ______________________________

Name: Roberto Morales

Title: Owner

Given under my hand and seal of office this _______ day of ______, 2018.

____
Signature of Notary Public

____
Printed Name of Notary Public

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

Exhibit 1

UPCS Instructions

1. UPCS violations that must be corrected:

Inspectable Area / Inspectable Item	Deficiency	L1	L2	L3	Comments
Third & Florence 609 East Third El Paso, TX 79901					
Building: Bldg 1					
Unit: 1					
Doors	Damaged Hardware/Locks		L2		bedroom door will not latch
Health & Safety	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable			L3	only bedroom window blocked by headboard, no egress
Outlets/Switches	Missing/Broken Cover Plates	L1			bathroom wall switch plate damaged
Unit: 3					
Bathroom	Lavatory Sink - Damaged/Missing	L1			sink stopper disconnected
Doors	Damaged Hardware/Locks		L2		bedroom door will not latch
Electrical	GFI Inoperable			L3	bathroom gfi will not test
Electrical	Missing Breakers/Fuses			L3	2 breakers missing, exposed wires
Building: Bldg 2					
Unit: 2					
Doors	Missing Door	L1			closet door missing
Outlets/Switches	Missing/Broken Cover Plates			L3	bedroom outlet cover missing, exposed wires
Unit: 3					
Bathroom	Lavatory Sink - Damaged/Missing	L1			sink stopper missing
Doors	Damaged Hardware/Locks		L2		bedroom door will not latch
Doors	Missing Door		L2		closet doors missing
Kitchen	Refrigerator-Missing/Damaged/Inoperable	L1			seal damaged

2. Prepare corrective documentation following these guidelines: http://www.tdhca.state.tx.us/pmcomp/inspections/docs/UPCS-WorkOrderGuidelines.pdf

3. Submit corrective documentation via CMTS following the instructions at http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf, then email Ysella Kaseman at ysella.kaseman@tdhca.state.tx.us to let her know that the submission is ready for review

Exhibit 2

File Monitoring Violation Resources and Instructions

Resources:

1. Refer to the following link for all references to the rules at 10 TAC §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
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:
   Income and Rent Limits: http://www.tdhca.state.tx.us/pmcomp/irl/index.htm
   Utility Allowance: http://www.tdhca.state.tx.us/pmcomp/utility-allowance.htm
   Affirmative Marketing Webinar: http://www.tdhca.state.tx.us/pmcomp/presentations.htm
   Affirmative Marketing Technical Assistance: http://www.tdhca.state.tx.us/pmcdocs/AMT-Assistance-Guide.pdf
   Tenant Selection Criteria Webinar: http://www.tdhca.state.tx.us/pmcomp/presentations.htm
   Online Reporting: http://www.tdhca.state.tx.us/pmcomp/reports.htm
   FAQ's: http://www.tdhca.state.tx.us/pmcomp/compFaqs.htm
4. **All corrections must be submitted via CMTS:** See link for steps to upload documents http://www.tdhca.state.tx.us/pmcdocs/CMTSUserGuide-AttachingDocs.pdf.
   Website link for CMTS is https://pox.tdhca.state.tx.us/aims2/pox
5. **Important notes -**
   i. Do not backdate any documents listed below.
   ii. A transfer of a qualified household from another unit is not sufficient to correct any findings. If there is a tenant income certification or household income above limit violation, a transfer from another unit will simply cause the finding to transfer to that unit.

Instructions:

6. **Reports to submit within CMTS:** These reports cannot be completed on paper and the data must be entered directly into CMTS. Log in to CMTS. Click the "Unit Status Report" link. On the next page, click "Submit Reports", then scroll down the list of reports until you find the desired report.
   i. **2015 and 2016 Annual Reports** – Submit Part B (Unit Status Report) for both years. The 2015 report was due in 2016, and the 2016 report was due in 2017. They will be labeled accordingly. You may input current occupancy data. Guides and resources are at this link if needed http://www.tdhca.state.tx.us/pmcomp/reports.htm.
   ii. **Pre-onsite documentation** – Submit Entrance Interview Questionnaire via CMTS.
7. **Written tenant selection criteria** –
   How to prepare compliant criteria: First watch the webinar presentation available at: http://www.tdhca.state.tx.us/pmcomp/presentations.htm. Then prepare updated written policies and procedures addressing all requirements of the rule at 10 TAC §10.610, a copy of which is at Attachment 4. Staff recommends using that rule as a checklist. Ensure that you include an effective date for the policy. The *"10.610 (policy & procedures)"* tab of this spreadsheet provides details regarding how TDHCA monitors for this item so that you can check over your work before submission: http://www.tdhca.state.tx.us/pmcdocs/OnsiteMonitoringForms.xlsx

   What to submit: A copy of your complete written policies and procedures.

9. **Utility Allowance** – Nothing was submitted indicating that there is a utility allowance. Please remember that this is not an amount that you will charge to tenants; it is an estimate of how much the households pay toward utilities, to ensure that their total housing expenses are appropriately restricted.

   Technical support: Details regarding utility allowances are at this link: http://www.tdhca.state.tx.us/pmcomp/utility-allowance.htm. Calculate a utility allowance in accordance with 10 TAC §10.614. Look over the *"10.614 (utility allowance)"* tab of this spreadsheet, which provides details regarding how TDHCA monitors for this item so that you can check over your work before submission: http://www.tdhca.state.tx.us/pmcdocs/OnsiteMonitoringForms.xlsx

   What to submit: Submit a copy of the new utility allowance via CMTS. Also submit the development's updated Unit Status Report to demonstrate that the utility allowance has been implemented. Rent will be tested development-wide by TDHCA once the proper allowance is implemented, and any resulting noncompliance will be cited at that time and provided a separate corrective action period of 90 days. For more information, see http://www.tdhca.state.tx.us/pmcomp/utility-allowance.htm

10. **Household income violations for all units (7 total)** – Follow the instructions below with respect to all seven units and submit documentation via CMTS.

Circumstance for each unit	**Instruction**
If unit is occupied by a qualified household	Submit the full tenant file*. If all necessary documentation was not collected initially, then collect new documentation to certify the household using their current financial circumstances. Do not backdate forms.
If unit is occupied by a nonqualified household on a month-to-month lease	A. Follow your normal procedures for terminating residency and provide a copy of documentation to TDHCA.** B. Once the unit becomes available, occupy the unit by a qualified household, and submit the full new tenant file within 30 days of occupancy*. Receipt after 5/23/2018 is acceptable for this circumstance provided that Requirement A above is fulfilled.
If unit is occupied by a nonqualified household with a non-expired lease	A. Issue a nonrenewal notice to tenant and provide a copy to TDHCA.** B. As soon as the unit is occupied by a qualified household, you must submit the full tenant file*. Receipt after 5/23/2018 is acceptable for this circumstance provided that Requirement A above is fulfilled.
If unit has been vacant *more than* 30 days	A. Unit must be made ready for occupancy. Submit a letter to TDHCA, certifying that it is ready for occupancy. B. Occupy the unit by a qualified household, and submit the full new tenant file within 30 days of occupancy*. Receipt after 5/23/2018 is acceptable for this circumstance provided that Requirement A above is fulfilled.

(table continued on next page)

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If unit has been vacant *less than* 30 days	A. If unit is ready for occupancy, submit a letter to TDHCA, certifying that it is ready for occupancy. B. If unit is not ready for occupancy, submit a letter to TDHCA including details regarding work that is required and when the unit will be ready for occupancy (no more than 30 days from the date of vacancy). C. Occupy the unit by a qualified household, and submit the full new tenant file within 30 days of occupancy*. Receipt after 5/23/2018 is acceptable for this circumstance provided that Requirements A and B above are fulfilled.

**Full tenant file must include: tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum, Tenant Rights and Resources Guide Acknowledgment, and a copy of the tenant selection criteria under which the household was screened. The application, verifications of income and assets, and tenant income certification must be dated within 120 days of one another.*

*** If a notice of nonrenewal or notice of termination is sent to tenant, ensure that it complies with requirements of the rule at 10 TAC 10.610(f)*

8. **Affirmative marketing plan** –

Technical support: First read the rule at 10 TAC §10.617, read the technical assistance guide at http://www.tdhca.state.tx.us/pmcdocs/AMT-Assistance-Guide.pdf, and watch the webinar at http://www.tdhca.state.tx.us/pmcomp/presentations.htm, to gain a general understanding regarding affirmative marketing. Next, review the following list of frequent problems observed, which include, but are not limited to:

- Not using HUD Form 935.2A;
- Not correctly identifying populations "least likely to apply". In general, those populations that are least likely to apply *might* include: White, American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, Persons with Disabilities, Families with Children, and Other. Analysis is required to determine which of these groups are least likely to apply;
- Not affirmatively marketing to the disabled. All properties must market to the disabled population;
- Not correctly identifying organizations that are specifically associated with groups identified as "least likely to apply". For example, marketing to the Housing Authority or placing ads in Craigslist would be considered general marketing, not affirmative marketing, because both serve all persons living in the area;
- Not including evidence of special outreach efforts, such as marketing letters, to those "least likely to apply" populations through specific media, organizations, or community contacts that work with "least likely to apply" populations or work in areas where "least likely to apply" populations live;
- Not including a sentence in English and Spanish in the outreach marketing materials that prospective tenants can access if reasonable accommodations are needed to complete the application process; and
- Not including consideration regarding how Limited English Proficiency may affect populations that are least likely to apply, and not including ways to mitigate language barriers related to advertising and community outreach.

Steps to complete affirmative marketing plan:

a. Identify the appropriate housing market in which outreach efforts will be made;

b. Determine the groups that are least likely to apply and mark them in your plan. The Affirmative Marketing Web Tool referenced at 10 TAC §10.617(d)(5) to determine groups that are least likely to apply is available online at: http://www.tdhca.state.tx.us/pmcomp/forms.htm. The groups *currently* identified by this tool are Persons with Disabilities, Black/African American, Not Hispanic, and Asian. If there is no checkbox in the Plan form for a group that is identified by the Tool, you would add that group under "Other". If you use this Tool and submit a copy with your Plan, you may rely upon its results.

   Alternatively, if you do not use the Tool, you may perform your own analysis to determine groups that are least likely to apply, but you must perform and document a reasonable analysis by which those groups were identified, you must always include persons with disabilities, and populations representing less than 1% of the total population of the County or MSA will not be required in your affirmative marketing. This analysis must be included with the plan.

   When the "Not Hispanic" population is identified by the Web Tool as a group least likely to apply, that group would be marked in your plan as "Other" and you would write in "Not Hispanic". Many owners assume that the "Not Hispanic" group identified by the Affirmative Marketing Web Tool means "White". That is not necessarily the case. The Compliance Division explains the category like this: each household member has a Race *and* an Ethnicity. The Race could be White, American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander. The Ethnicity could be either Hispanic or Not Hispanic. In other words, a person could be Black/African American and Hispanic. Likewise, a person could be White and Hispanic. In other words, the "Not Hispanic" demographic is literally everyone who is "Not Hispanic."

c. Identify in your plan specific organizations, media, and community contacts in the housing market to send marketing outreach materials. The organizations must specifically reach those groups designated as least likely to apply. The Tool provides a link to a map that will show which Census tracts may be most beneficial for affirmative marketing. The census tracts provided for outreach consideration represent nearby neighborhoods identified in the U.S. Census as having the greatest number of the groups who are least likely to apply at your development based on its location. The identified neighborhoods may represent a first step for planning meaningful outreach and marketing for your development.

   Specific examples:

   i. Least likely to apply population - People with disabilities:

      1. Local Center for Independent Living ("CIL") – serve persons with all disability types. Not all counties are covered http://www.txsilc.org/page_CILs.html
      2. Aging and Disability Resource Center ("ADRC") – intake and referral for persons with physical, intellectual, or developmental disabilities - all counties are covered: https://www.dads.state.tx.us/contact/search.cfm
      3. Local Intellectual and Developmental Disability Authority (LIDDA) – serves persons with intellectual, or developmental disabilities - all counties are covered: https://www.dads.state.tx.us/contact/search.cfm
      4. Local Mental Health Authority (LMHA) – serves persons with Mental Illness and Substance Use disorders - all counties are covered: https://www.dshs.texas.gov/mhservices-search/
      5. Local non-profits in your area serving people with disabilities
      6. Call 211 and ask about resources for people with disabilities in your area, reach out to groups serving people with disabilities in your community

ii. Least likely to apply population - Black/African American:
   1. Local Black/African American Chamber of Commerce
   2. Local Black/African American Professionals Social Network
   3. Weekly Black/African American newspaper / website for a city
   4. Local community center or YMCA in a historically black/African American neighborhood;
   5. Community centers, places of worship, libraries, grocery stores in census tracts with a high concentration of the racial group. In TDHCA's Web Tool, these areas are listed under "tracts for outreach consideration"

iii. Least likely to apply population – Not Hispanic:
   1. Community centers, places of worship, libraries, grocery stores in census tracts with a high concentration of the racial group. In TDHCA's Web Tool, these areas are listed under "tracts for outreach consideration"

iv. Least likely to apply population - Asian:
   1. Local Asian real estate association
   2. Local Asian Chamber of Commerce
   3. Local Asian American Resource Center
   4. Local organizations serving the Asian community
   5. Community centers, places of worship, libraries, grocery stores in census tracts with a high concentration of the racial group. In TDHCA's Web Tool, these areas are listed under "tracts for outreach consideration"

d. Complete and execute an affirmative marketing plan using any version of HUD Form 935.2A, including the groups and organizations identified above;

e. Comply with all requirements of 10 TAC §10.617, which we recommend using as a checklist;

f. Ensure that your plan includes a section considering how Limited English Proficiency may affect populations least likely to apply, and including ways you plan to mitigate language barriers related to advertising and community outreach. Such information should be included in the Plan as an additional consideration, or as an attachment to the Plan. Some sample information that may be useful for preparation is available at http://www.tdhca.state.tx.us/pmcdocs/LAP-Guide.doc;

g. Send marketing outreach materials (such as letters) to the identified organizations, ensuring that said marketing materials comply with all requirements of 10 TAC §10.617. Remember that 10 TAC §10.617(f)(5) requires marketing materials to include the Fair Housing Logo and give contact information that prospective tenants can access if reasonable accommodations are needed in order to complete the application process. This contact information sentence must include the terms "reasonable accommodation" and must be in English and Spanish. Here is a sample of an acceptable sentence recently included in marketing materials from another property: *"Individuals who need to request a reasonable accommodation to complete the application process should contact the apartment manager at XXX-XXX-XXXX. Personas con discapacidad que necesitan solicitar un acomodacion razonable para completer el proceso de aplicacion deben comunicarse con el Administrador del apartment al XXX-XXX-XXXX."*

h. Look over the *"10.617 (affirmative marketing)"* tab of the spreadsheet at the following link, which provides details regarding how TDHCA monitors for this item so that you can check over your work before submission: http://www.tdhca.state.tx.us/pmcdocs/OnsiteMonitoringForms.xlsx

What to submit: Affirmative Marketing Plan, Affirmative Marketing Web Tool, and copies of outreach marketing materials (such as letters)

Exhibit 3

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 Income Eligibility Training in order to get a full overview of the process. Sign up at http://www.tdhca.state.tx.us/pmcomp/COMPtrain.html or https://www.taa.org/events/. Forms discussed below are available at: http://www.tdhca.state.tx.us/pmcomp/forms.htm.

1. **Intake Application:** Each adult household member must complete their own application in order to be properly screened at initial certification. A married couple can complete a joint application. The Department does not have a required form to screen households, but we make a sample form available for that purpose. All households must 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. If you use the Texas Apartment Association (TAA) Rental Application, be aware that it does not include all requirements, but they have a "Supplemental Rental Application for Units Under Government Regulated Affordable Housing Programs" that includes the additional requirements.
2. **Release and Consent**: Have tenant sign TDHCA's Release and Consent form so that verifications may be collected by the property.
3. **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. **Income Verification for Households with Section 8 Certificates:** This form is signed by the Public Housing Authority, certifying that the household is eligible at initial occupancy. This form can only be completed at initial occupancy and cannot be used to correct a finding of noncompliance relating to income eligibility.
    b. **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;
    c. **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;
    d. **Verification of non-employment income:** You must obtain verifications for all other income sources, such as child support, social security, and/or unemployment benefits. Self-certification by the household is not acceptable. Examples: benefit verification letter(s) would be acceptable for social security and/or employment benefits. Acceptable verifications for child support could include documents such as divorce decree(s), court order(s), or a written statement from the court or attorney general regarding the monthly awarded amount;

e. **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;

f. **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.

4. **<u>Verify Assets:</u>** 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 financial institution. 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 financial institution's portion has authority to do so and has access to all applicable information in order to verify the asset(s). If you receive the verification via mail, retain the envelope. If you receive it via fax, ensure that the fax stamp is on it.

5. **<u>Tenant Income Certification Form:</u>** 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 <u>http://www.tdhca.state.tx.us/pmcomp/irl/index.htm</u>. Be sure to include any income derived from assets. The form must include all household members, and be signed by each adult household member.

6. **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 TAC §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 TAC §10.613(f) 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. TAA 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.

7. **Tenant Selection Criteria:** In accordance with 10 TAC §10.610(b), you must maintain written Tenant Selection Criteria and a copy of those written criteria under which an applicant was screened must be included in the household's file.

8. **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(m), 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, resolution will be achieved by providing the 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.

Exhibit 4:

Texas Administrative Code

TITLE 10	COMMUNITY DEVELOPMENT
PART 1	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 10	UNIFORM MULTIFAMILY RULES
SUBCHAPTER E	COMPLIANCE MONITORING
RULE §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 wait list. 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.

(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. If an Owner adopts a minimum income standard for households participating in a voucher program, it is limited to the greater of a monthly income of 2.5 times the household's share of the total monthly rent amount or $2,500 annually; 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.

(3) If the Development is funded with HOME, Multifamily Direct Loan funds used as HOME match, NHTF, or NSP funds, in accordance with 24 CFR §93.356 and 24 CFR §92.359, the criteria may have a preference for persons who have experienced 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 (not to exceed 14 calendar days) 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 wait list;

(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;

(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 Development. A grievance procedure is required for HOME Developments that are owned by Community Housing Development Organizations, and Developments that lease units under the Department's Section 811-PRA program; and

(C) The TDHCA form based on HUD form 5380 "Notice of Occupancy Rights under the Violence Against Women Act" and the HUD form 5382 "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation."

(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 the TDHCA form based on HUD form 5380 "Notice of Occupancy Rights under the Violence Against Women Act" and the HUD form 5382 "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation." To avoid providing applicants and residents with duplicate information, TDHCA administered Developments layered with other federal funds are permitted to amend the TDHCA VAWA forms to incorporate requirements of other funders. However, none of the information included in the TDHCA created form may be omitted.

(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.

(h) At the time of application Owners must provide each adult in the household the TDHCA form based on HUD form 5380 "Notice of Occupancy Rights under the Violence Against Women Act" and the HUD form 5382 "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation." To avoid providing applicants and residents with duplicate information, TDHCA administered Developments layered with other federal funds are permitted to amend the TDHCA VAWA forms to incorporate requirements of other funders. However, none of the information included in the TDHCA created form may be omitted.

(i) No later than June 14, 2017, HOME, NHTF, NSP, 811 PRA, and state HOME match, Development Owners with contracts dated on or after December 16, 2016, must individualize for their Development and then adopt the TDHCA form based on HUD Form 5381 "Model Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking" or request from the Department to use another Federal program's Emergency Transfer Plan.

Source Note: The provisions of this §10.610 adopted to be effective April 24, 2016, 41 TexReg 2740; amended to be effective October 1, 2017, 42 TexReg 4987

Exhibit 5:

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

1c

BOARD ACTION REQUEST

LEGAL DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Parkview Place Apartments (HOME 535031 / CMTS 2652)

RECOMMENDED ACTION

WHEREAS, Parkview Place Apartments, owned by 3Mind Parkview, LLC ("Owner"), had unresolved compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, all findings that had been referred for an administrative penalty were resolved informally before consideration by the Enforcement Committee;

WHEREAS, Owner's representatives have agreed, subject to Board approval, to enter into an Agreed Final Order stipulating that violations occurred, and assessing no administrative penalty; 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, stipulating that violations occurred at Parkview Place Apartments (HOME 535031 / CMTS 2652), as presented at this meeting, but authorizing staff to make any necessary non-substantive technical corrections, is hereby adopted as the order of this Board.

BACKGROUND

3Mind Parkview, LLC ("Owner") is the owner of Parkview Place Apartments ("Property"), a low income apartment complex composed of 176 units, located in Georgetown, Williamson County. Records of the Texas Secretary of State list DFWR Parkview Apartments LLC as the sole member of Owner, and Frank Ruimy signed formation documents representing himself as President of that organization. CMTS lists Jim Cooper as the primary contact for Owner. The property is managed by Dayrise Residential.

The Property is subject to a Land Use Restriction Agreement ("LURA") signed by a prior owner in 1998 in consideration for HOME funding in the amount of $574,598 to build and operate the Property. The HOME loan was paid off in 2008. The Owner acquired the property in 2015 and although an Agreement to Comply with the LURA was not signed, the LURA remains in effect per Section 7.7 of the LURA, which stipulates that its restrictions run with the land.

Owner has no penalty referral history. Owner did not respond to the Compliance Division's monitoring review, but did submit a timely, though insufficient, response to the subsequent Affirmative Marketing Plan review and Written Policies and Procedures review. Multiple administrative penalty referrals were made for the following violations:

1. Household income violations for units 5201, 8306, and 9301;
2. Lease violation for failure to implement the Tenant Rights and Resources Guide;
3. Failure to maintain an acceptable Affirmative Marketing Plan and evidence of associated marketing efforts; and
4. Failure to maintain complete written policies and procedures, including tenant selection criteria.

Additional technical support was provided by the Compliance Division and Legal Division after the property was referred for an administrative penalty. Ultimately, all violations were resolved by January 3, 2018, after the Enforcement Committee deadline for avoiding the informal conference. It is not appropriate to close the administrative penalty referral with a warning letter because of the missed Committee deadline, however, full resolution was achieved before the informal conference, and Owner has agreed to sign an Agreed Final Order assessing no administrative penalty for noncompliance at Parkview Place Apartments, but stipulating that violations has occurred and were not timely corrected.

Consistent with direction from the Department's Enforcement Committee, an Agreed Final Order stipulating that violations occurred is recommended, with no administrative penalty. This will be a reportable item of consideration under previous participation for any new award to the principals of the owner.

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
3MIND PARKVIEW, LLC	§	TEXAS DEPARTMENT OF
WITH RESPECT TO	§	HOUSING AND
PARKVIEW PLACE APARTMENTS	§	COMMUNITY AFFAIRS
(HOME FILE # 535031 / CMTS # 2652)	§	

AGREED FINAL ORDER

General Remarks and official action taken:

On this 22nd day of February, 2018, the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA" or "Department") considered the matter of whether enforcement action should be taken against **3MIND PARKVIEW, LLC,** a Delaware Corporation ("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 1997, Parkview Place, Ltd. ("Prior Owner") was awarded a low interest HOME loan by the Board, in the total amount of $574,598 to build and operate Parkview Place Apartments ("Property") (HTC file No. 535031 / CMTS No. 2652 / LDLD No. 704).

2. Prior Owner signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective February 9, 1998, and filed of record at Document Number 9808967 of the Official Public Records of Real Property of Williamson County, Texas ("Records"). In accordance with Section 7.7 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 purchased the Property on April 23, 2015 and, although an Agreement to Comply was not signed, Respondent is bound to the terms of the LURA in accordance with Section 7.7 thereof.

4. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations[1]*:*

5. An on-site monitoring review was conducted on April 19, 2017, 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 August 9, 2017, corrective action deadline was set, however, the following violations were not corrected before the corrective action deadline:
   a. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 5201, 8306, and 9301, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4.3 of the LURA, which require screening of tenants to ensure qualification for the program. The final violation was resolved on January 3, 2018, after intervention by the Enforcement Committee; and
   b. Respondent failed to implement the Tenant Rights and Resources Guide, a violation of 10 TAC §10.613 (Lease Requirements), which requires owners to post a laminated copy of the Guide in a common area of the leasing office and provide a copy to each household during the application process and upon any subsequent change to common amenities, unit amenities, or services. The violation was resolved on November 29, 2017, after intervention by the Enforcement Committee.

6. An Affirmative Marketing Plan review was conducted on July 12, 2017, to determine whether Respondent was in compliance with rule requirements. A plan was submitted, but did not meet requirements, a violation of Section 4.8 of the LURA and 10 TAC §10.617 (Affirmative Marketing), which requires developments to maintain an affirmative marketing plan that meets minimum requirements and to distribute marketing materials to selected marketing organizations that reach groups identified as least likely to apply and to the disabled. Notification of noncompliance was sent and an October 10, 2017, corrective action deadline was set, however, the violation was not resolved before the corrective action deadline. The violation was ultimately resolved on November 29, 2017, after intervention by the Enforcement Committee.

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[1] Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC §§ 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.

7. A Written Policies and Procedures review was conducted on July 12, 2017, to determine whether Respondent was in compliance with rule requirements. Policies were submitted, but but did not meet requirements, a violation of 10 TAC §10.610 (Written Policies and Procedures), which requires all developments to establish written tenant selection criteria that meet minimum TDHCA requirements. Notification of noncompliance was sent and an October 10, 2017, corrective action deadline was set, however, the violation was not resolved before the corrective action deadline. The violation was resolved on November 17, 2017, after intervention by the Enforcement Committee.

8. All violations listed above are considered resolved 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 TAC §2.

2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).

3. Respondent violated Section 4.3 of the LURA and 10 TAC §10.611 by failing to provide documentation that household incomes are within prescribed limits upon initial occupancy for Units 5201, 8306, and 9301.

4. Respondent violated leasing requirements in 10 TAC §10.613 by failing to implement the Tenant Rights and Resources Guide.

5. Respondent violated 10 TAC §10.617 by failing to provide a complete affirmative marketing plan.

6. Respondent violated 10 TAC §10.610 by not maintaining written tenant selection criteria meeting TDHCA requirements.

7. 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.

8. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code § 2306.053 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.

9. It is appropriate to assess no administrative penalty in accordance with 10 TAC §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 not be assessed an administrative penalty.

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC §10.406, a copy of which is included at Exhibit 1, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

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 February 22, 2018.

By: ____________________
Name: J.B. Goodwin
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 TRAVIS §

Before me, the undersigned notary public, on this 22nd day of February, 2018, personally appeared J.B. Goodwin, 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 22nd day of February, 2018, 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 Franck Ruimy, 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 the Property, 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:

3MIND PARKVIEW, LLC, a Delaware Limited Liability Company

DFWR PARKVIEW APARTMENTS, LLC, its sole member, a Delaware Limited Liability Company

By: ______________________________

Name: FRANCK RUIMY ______________

Title: ______________________________

Given under my hand and seal of office this _______ day of ______, 2018.

____
Signature of Notary Public

____
Printed Name of Notary Public

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

Exhibit 1

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

1d

BOARD ACTION REQUEST

ASSET MANAGEMENT

FEBRUARY 22, 2018

Presentation, discussion, and possible action regarding a change in the ownership structure of the Development Owner, Developer, and Guarantors prior to issuance of IRS Form(s) 8609 for Gardens at San Juan Square/San Juan III (HTC No. 12415)

RECOMMENDED ACTION

WHEREAS, Gardens at San Juan Square (the "Development") received an award of 4% Housing Tax Credits ("HTC") in 2012 to construct 252 multifamily units in San Antonio;

WHEREAS, there was a change in the ownership structure of NRP San Juan III, LLC ("NRP San Juan III"), the Class B Special Limited Partner (.01%) of the Development Owner that involves the addition of new affiliated entities but no new principals, and the removal of one of its original controlling Principals;

WHEREAS, Alan F. Scott ("Scott"), 33.33% owner of NRP San Juan III, retired in 2014 and sold his interest in the various NRP entities and projects to the remaining principals, J. David Heller ("Heller") and T. Richard Bailey, Jr. ("Bailey");

WHEREAS, Scott, in addition to Heller and Bailey, was used to meet the Experience Requirement in the Application; and

WHEREAS, the transfer of ownership is being requested prior to the issuance of IRS Form(s) 8609 and 10 TAC §10.406(e) requires that parties reflected in the Application that have control must remain in the ownership structure and retain such control, unless approved otherwise by the Board, and changes in Developers or Guarantors are considered nonmaterial amendments under 10 TAC §10.405(a)(3)(C) but included as part of this board action request;

NOW, therefore, it is hereby

RESOLVED, that the ownership transfer and amendments in the Developer and Guarantor for Gardens at San Juan Square 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.

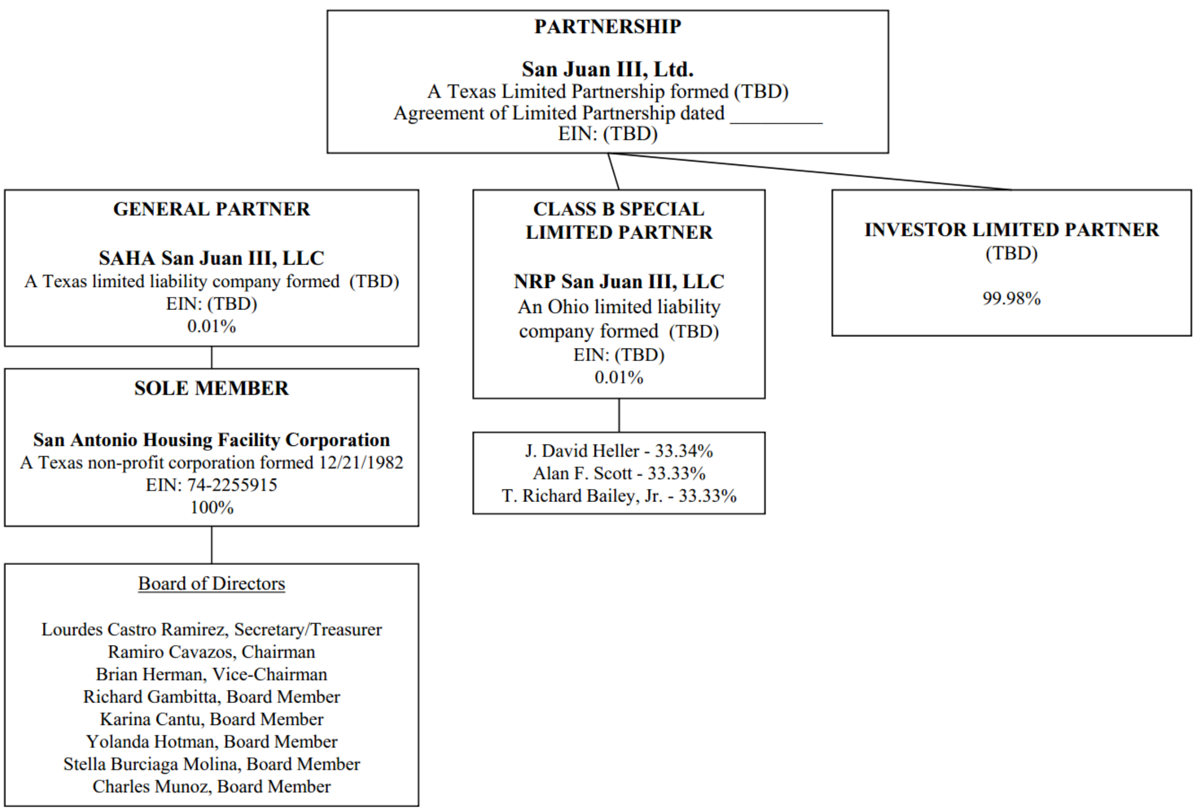
BACKGROUND

San Juan III was approved for 4% Housing Tax Credits to construct 252 units in San Antonio, Bexar County. NRP, the representative of the Class B Special Limited Partner of the Development Owner, San Juan III, Ltd., has submitted a request for changes in the ownership structure of the Development Owner, Developer, and Guarantors. The changes involve the removal of affiliates and a principal and the addition of new affiliated entities but no new principals.

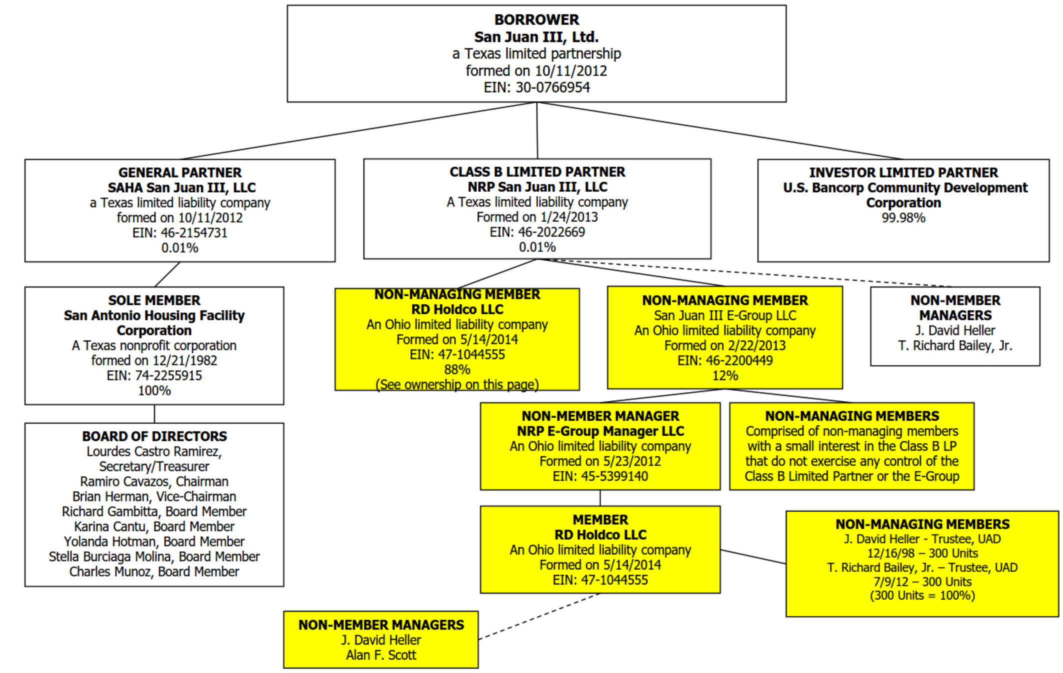
The changes to the Development Owner are for the ownership structure of the Class B Special Limited Partner, NRP San Juan III, LLC. Alan F. Scott ("Scott"), 33.33% owner of NRP San Juan III, retired and sold his interest to the remaining principals, J. David Heller ("Heller") and T. Richard Bailey, Jr. ("Bailey"). Heller and Bailey transferred their ownership to RD Holdco LLC ("Holdco") and San Juan III E-Group, LLC ("E-Group") but will remain non-member managers of NRP San Juan III. Holdco (88%) will be controlled by J. David Heller, Trustee, and T. Richard Bailey, Jr., Trustee. The trusts are controlled by the current principals, Heller and Bailey. E-Group is controlled by Heller; however, the entity will have no management or control rights in NRP San Juan III.

Although Scott was used to meet the Experience Requirement in the Application, Heller and Bailey were also used and remain owners in the Development.

Ownership Structure approved at Application

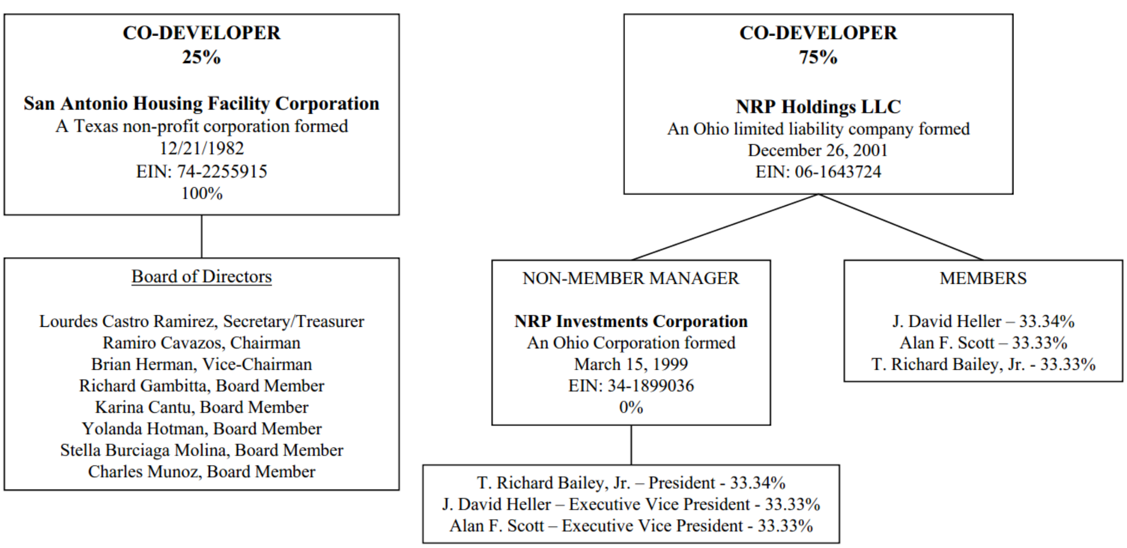


Revised Ownership Structure

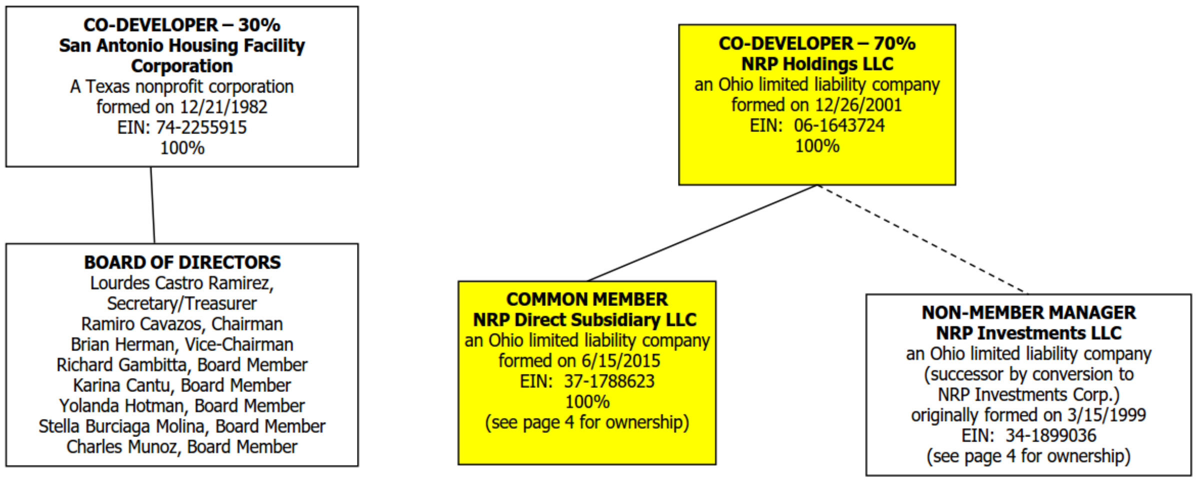


Changes to the ownership structure of the co-Developer also involve the removal of Scott as a principal and replacing affiliated entities with new affiliates. The co-Developer, NRP Holdings LLC, was originally owned by Heller, Scott, and Bailey, and managed by NRP Investment Corporation. The entity is now owned by NRP Direct Subsidiary LLC and NRP Investments LLC.

Co-Developers at Application

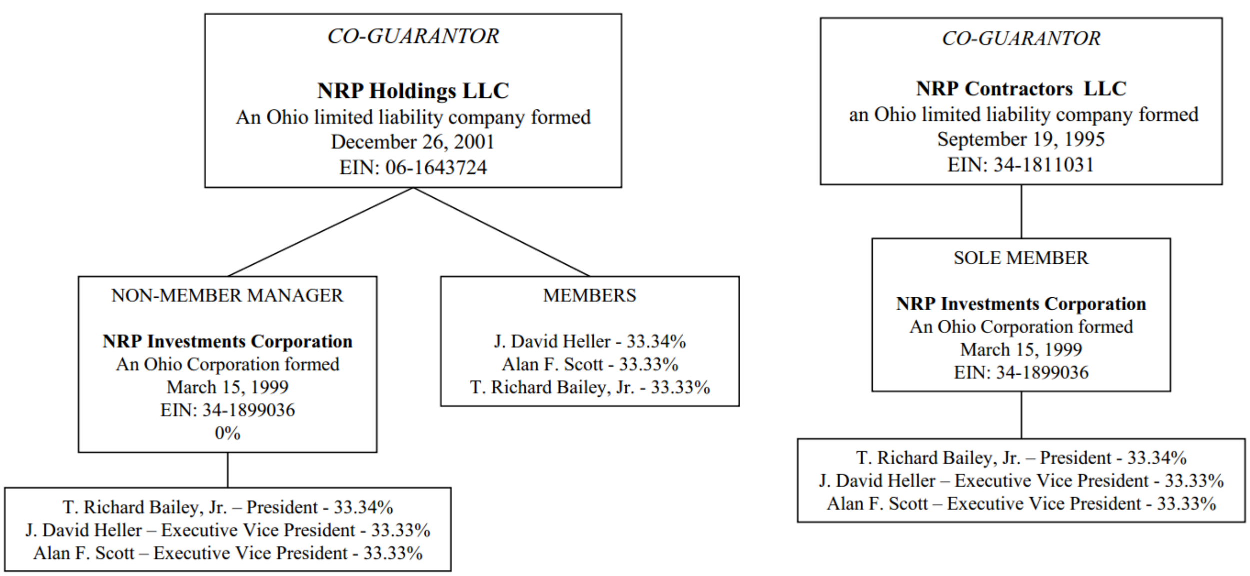


Revised Co-Developers

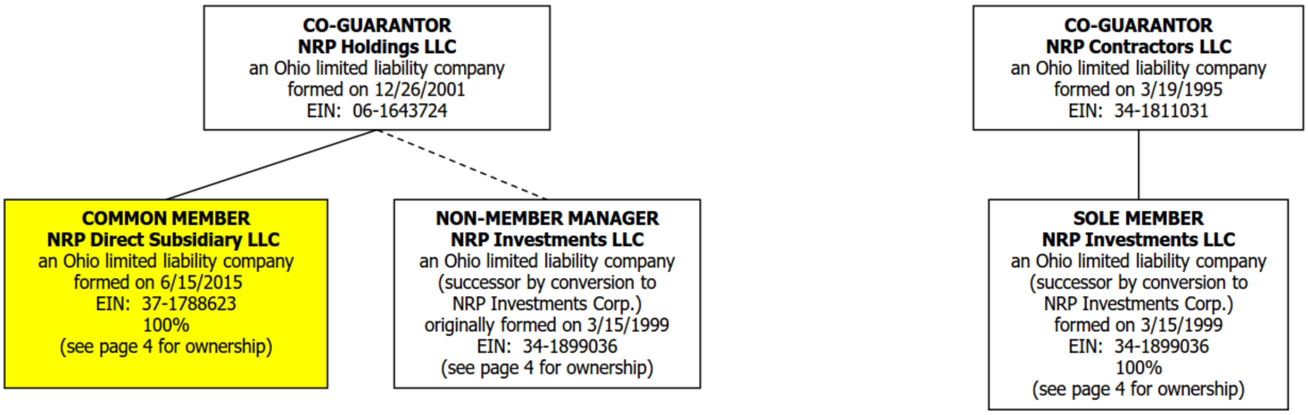


Finally, changes to the Guarantor identify the removal of Scott as a principal and the replacement of Heller and Bailey as individual members with affiliated entities, as reflected below. The co-Guarantor, NRP Contractors LLC was owned by NRP Investment Corporation that was owned by Heller, Scott, and Bailey. The entity is now owned by NRP Investments LLC., an affiliate. NRP Investments LLC is owned by NRP Enterprises LLC (100%), the sole member, and managed by NRP Master L.P., the non-member manager. NRP Enterprises LLC is owned by NRP Direct Subsidiary LLC (100%) and a private equity fund, AGT NRP Investor, LLC, that does not exercise control. NRP Direct Subsidiary LLC is solely-owned by NRP Master L.P. that is owned by Heller, Trustee (99%), Bailey, Trustee (.5%), and JDH Realty Investment Corp. (.5%), solely-owned by Heller, Trustee.

Co-Guarantors at Application



Revised Co-Guarantors



Staff recommends approval of the requested changes in ownership structures for the Development Owner, the co-Developer, and the co-Guarantors for the Gardens at San Juan Square.

NRP

5309 Transportation Blvd.
Cleveland, Ohio 44125
Phone (216) 475-8900
Fax (216) 475-6101
www.nrpgroup.com

October 2, 2017

Ms. Dee Patience
Asset Manager
TDHCA
221 East 11th Street
Austin, Texas 78701-2410

Re: San Juan Square III (TDHCA# 12415) – Ownership Transfer Request

Ms. Patience:

The purpose of this letter is to request the TDHCA's approval of the following changes in the ownership structure of Decatur-Angle Ltd., as it relates to the sub-structure of the Class B Limited Partner, NRP San Juan III, LLC (the "SLP") and NRP affiliate entities:

Class B Special Limited Partner
Additional entities were added to the ownership structure between the Class B Special Limited Partner and the principals of NRP. J. David Heller ("Heller") and T. Richard Bailey ("Bailey") manage/control these entities. RD Holdco LLC is an entity used to own all of Heller's and Bailey's affordable projects that closed prior to November 30, 2016. Decatur-Angle E-Group LLC is wholly owned by employees of NRP, but is controlled by Heller; the E-Group has a small economic interest in the project, but no management or control rights.

Alan F. Scott
Mr. Scott retired from NRP in 2014 and sold his interest in the various NRP entities and projects to J. David Heller and T. Richard Bailey.

T. Richard Bailey
Mr. Bailey was bought out of NRP's operating companies, including NRP Holdings LLC, NRP Investments LLC and NRP Contractors LLC; however, for tax purposes he retained a .5% non-economic interest in NRP Master L.P. (Master), the owner of NRP Direct Subsidiary LLC (Direct Sub) and the owner of NRP Enterprises LLC (Enterprises). Master, is otherwise owned by Heller through a trust and another wholly owned subsidiary. None of the economics of Enterprises or Master, flow to Bailey, nor does he exercise any control of these entities. Bailey continues to own an interest and have management rights in the affordable projects that closed prior to November 30, 2016.

Direct Sub, which is ultimately 99.5% owned by Heller, owns 100% of the common interest in Enterprises. AGT NRP Investor LLC (AGT), a private equity firm, recently bought into a preferred position in Enterprises. AGT has the right to convert its preferred interest into a

NRP

5309 Transportation Blvd.
Cleveland, Ohio 44125
Phone (216) 475-8900
Fax (216) 475-6101
www.nrpgroup.com

common interest, but at this time, AGT is only entitled to a fixed distribution from Enterprises and is not entitled to any common distributions of Enterprises. AGT does not exercise any control over the partnership.

We respectfully request your consideration in this matter and have enclosed the complete Ownership Transfer Request, along with a check for $500.00 to cover the remaining fee. A $500.00 check was sent along with the Cost Certification submission in March, 2016. Check number 11085.

Sincerely,

By: Jessica Ludwig
Jessica Ludwig
NRP Assistant Project Manager – Development

Ownership Transfer Information

Complete the below information concerning this transfer. Information related to this and other forms in this packet may be found in the Post Award Activities Manual on the Department's Asset Management page.

Property Information

TDHCA ID#: 12415 | Primary Program: 4% Tax Exempt | CMTS#:

Property Name: San Juan III | Current Owner: San Juan III, Ltd.

Type of Transfer: Affiliate Transfer (no new individuals) | Date of Transfer: | OR [X] Already Occurred

A full Ownership Transfer packet may not be required. See the Post Carryover Manual.

Have Forms 8609 been issued for this property? No | Has construction been completed? Yes

Controlling parties at Application must remain in the structure and retain control. Contact your Asset Manager.

Did this property receive points for non-profit participation? Yes | Will the non-profit change? No

N/A

Did this property receive points for a HUB? No | Will the HUB change?

N/A

Is this property in or past year 15 of its Compliance Period? No | Does the ROFR process apply? Yes

Compliance Status

Any uncorrected issues of noncompliance beyond the Corrective Action Period? No

Any Corrective Action for noncompliance items currently in review? No | Date Submitted:

Ownership Transfer Contact Information

Contact Name: Jessica Ludwig | Phone: (216) 584 - 0628

Email: Jludwig@nrpgroup.com | Ownership Transfer Fee Submitted? Yes | Check #: 11085

Property Sale Information *(Only if Property Sale is Occurring with Transfer)*

Title Company: N/A | Title Company Contact: N/A

Email: N/A | Phone: ( ) - | Extension:

Sale will be: N/A | Amount of New Financing (if any): $

Lender (if any): N/A | Terms of New Financing (if any): N/A % Interest

Terms of New Financing (if any): N/A yr Am N/A yr Term

Total Reserves: $ N/A | Amount of Reserves to transfer: $ N/A

If HOME, will HOME loan be paid off at time of sale? N/A

New Proposed Owner Information

Proposed Owner: N/A | Authorized Agent: N/A

Was the above or any of its members formed in a state other than Texas?

Proposed Owner Experience Summary

Does the proposed Owner or its members have experience in affordable housing operations or management? Yes

Years of Cumulative Experience as indicated above:

N/A

New Management Agent Information

[ ] Management Agent will be replaced at the time of Transfer.

Entity: N/A | Taxpayer ID: N/A

Contact: N/A | Phone: ( ) - | Extension:

Address: N/A

Email: N/A

San Juan III

Before Transfer

PARTNERSHIP

San Juan III, Ltd.
A Texas Limited Partnership formed (TBD)
Agreement of Limited Partnership dated __________
EIN: (TBD)

GENERAL PARTNER

SAHA San Juan III, LLC
A Texas limited liability company formed (TBD)
EIN: (TBD)
0.01%

SOLE MEMBER

San Antonio Housing Facility Corporation
A Texas non-profit corporation formed 12/21/1982
EIN: 74-2255915
100%

Board of Directors

Lourdes Castro Ramirez, Secretary/Treasurer
Ramiro Cavazos, Chairman
Brian Herman, Vice-Chairman
Richard Gambitta, Board Member
Karina Cantu, Board Member
Yolanda Hotman, Board Member
Stella Burciaga Molina, Board Member
Charles Munoz, Board Member

CLASS B SPECIAL LIMITED PARTNER

NRP San Juan III, LLC
An Ohio limited liability company formed (TBD)
EIN: (TBD)
0.01%

J. David Heller - 33.34%
Alan F. Scott - 33.33%
T. Richard Bailey, Jr. - 33.33%

INVESTOR LIMITED PARTNER
(TBD)

99.98%

San Juan III

DEVELOPERS

CO-DEVELOPER
25%

San Antonio Housing Facility Corporation
A Texas non-profit corporation formed
12/21/1982
EIN: 74-2255915
100%

<u>Board of Directors</u>

Lourdes Castro Ramirez, Secretary/Treasurer
Ramiro Cavazos, Chairman
Brian Herman, Vice-Chairman
Richard Gambitta, Board Member
Karina Cantu, Board Member
Yolanda Hotman, Board Member
Stella Burciaga Molina, Board Member
Charles Munoz, Board Member

CO-DEVELOPER
75%

NRP Holdings LLC
An Ohio limited liability company formed
December 26, 2001
EIN: 06-1643724

NON-MEMBER MANAGER

NRP Investments Corporation
An Ohio Corporation formed
March 15, 1999
EIN: 34-1899036
0%

T. Richard Bailey, Jr. – President - 33.34%
J. David Heller – Executive Vice President - 33.33%
Alan F. Scott – Executive Vice President - 33.33%

MEMBERS

J. David Heller – 33.34%
Alan F. Scott – 33.33%
T. Richard Bailey, Jr. - 33.33%

San Juan III

CO-GUARANTORS

CO-GUARANTOR

NRP Holdings LLC
An Ohio limited liability company formed
December 26, 2001
EIN: 06-1643724

NON-MEMBER MANAGER

NRP Investments Corporation
An Ohio Corporation formed
March 15, 1999
EIN: 34-1899036
0%

T. Richard Bailey, Jr. – President - 33.34%
J. David Heller – Executive Vice President - 33.33%
Alan F. Scott – Executive Vice President - 33.33%

MEMBERS

J. David Heller - 33.34%
Alan F. Scott - 33.33%
T. Richard Bailey, Jr. - 33.33%

CO-GUARANTOR

NRP Contractors LLC
an Ohio limited liability company formed
September 19, 1995
EIN: 34-1811031

SOLE MEMBER

NRP Investments Corporation
An Ohio Corporation formed
March 15, 1999
EIN: 34-1899036

T. Richard Bailey, Jr. – President - 33.34%
J. David Heller – Executive Vice President - 33.33%
Alan F. Scott – Executive Vice President - 33.33%

SAN JUAN III

After Transfer

BORROWER
San Juan III, Ltd.
a Texas limited partnership
formed on 10/11/2012
EIN: 30-0766954

GENERAL PARTNER
SAHA San Juan III, LLC
a Texas limited liability company
formed on 10/11/2012
EIN: 46-2154731
0.01%

CLASS B LIMITED PARTNER
NRP San Juan III, LLC
A Texas limited liability company
Formed on 1/24/2013
EIN: 46-2022669
0.01%

INVESTOR LIMITED PARTNER
U.S. Bancorp Community Development Corporation
99.98%

SOLE MEMBER
San Antonio Housing Facility Corporation
A Texas nonprofit corporation
formed on 12/21/1982
EIN: 74-2255915
100%

BOARD OF DIRECTORS
Lourdes Castro Ramirez, Secretary/Treasurer
Ramiro Cavazos, Chairman
Brian Herman, Vice-Chairman
Richard Gambitta, Board Member
Karina Cantu, Board Member
Yolanda Hotman, Board Member
Stella Burciaga Molina, Board Member
Charles Munoz, Board Member

NON-MANAGING MEMBER
RD Holdco LLC
An Ohio limited liability company
Formed on 5/14/2014
EIN: 47-1044555
88%
(See ownership on this page)

NON-MANAGING MEMBER
San Juan III E-Group LLC
An Ohio limited liability company
Formed on 2/22/2013
EIN: 46-2200449
12%

NON-MEMBER MANAGERS
J. David Heller
T. Richard Bailey, Jr.

NON-MEMBER MANAGER
NRP E-Group Manager LLC
An Ohio limited liability company
Formed on 5/23/2012
EIN: 45-5399140

NON-MANAGING MEMBERS
Comprised of non-managing members with a small interest in the Class B LP that do not exercise any control of the Class B Limited Partner or the E-Group

MEMBER
RD Holdco LLC
An Ohio limited liability company
Formed on 5/14/2014
EIN: 47-1044555

NON-MANAGING MEMBERS
J. David Heller - Trustee, UAD 12/16/98 – 300 Units
T. Richard Bailey, Jr. – Trustee, UAD 7/9/12 – 300 Units
(300 Units = 100%)

NON-MEMBER MANAGERS
J. David Heller
Alan F. Scott

SAN JUAN III

DEVELOPERS

CO-DEVELOPER – 30%
San Antonio Housing Facility Corporation
A Texas nonprofit corporation
formed on 12/21/1982
EIN: 74-2255915
100%

BOARD OF DIRECTORS
Lourdes Castro Ramirez, Secretary/Treasurer
Ramiro Cavazos, Chairman
Brian Herman, Vice-Chairman
Richard Gambitta, Board Member
Karina Cantu, Board Member
Yolanda Hotman, Board Member
Stella Burciaga Molina, Board Member
Charles Munoz, Board Member

CO-DEVELOPER – 70%
NRP Holdings LLC
an Ohio limited liability company
formed on 12/26/2001
EIN: 06-1643724
100%

COMMON MEMBER
NRP Direct Subsidiary LLC
an Ohio limited liability company
formed on 6/15/2015
EIN: 37-1788623
100%
(see page 4 for ownership)

NON-MEMBER MANAGER
NRP Investments LLC
an Ohio limited liability company
(successor by conversion to NRP Investments Corp.)
originally formed on 3/15/1999
EIN: 34-1899036
(see page 4 for ownership)

SAN JUAN III

GUARANTORS

CO-GUARANTOR
NRP Holdings LLC
an Ohio limited liability company
formed on 12/26/2001
EIN: 06-1643724

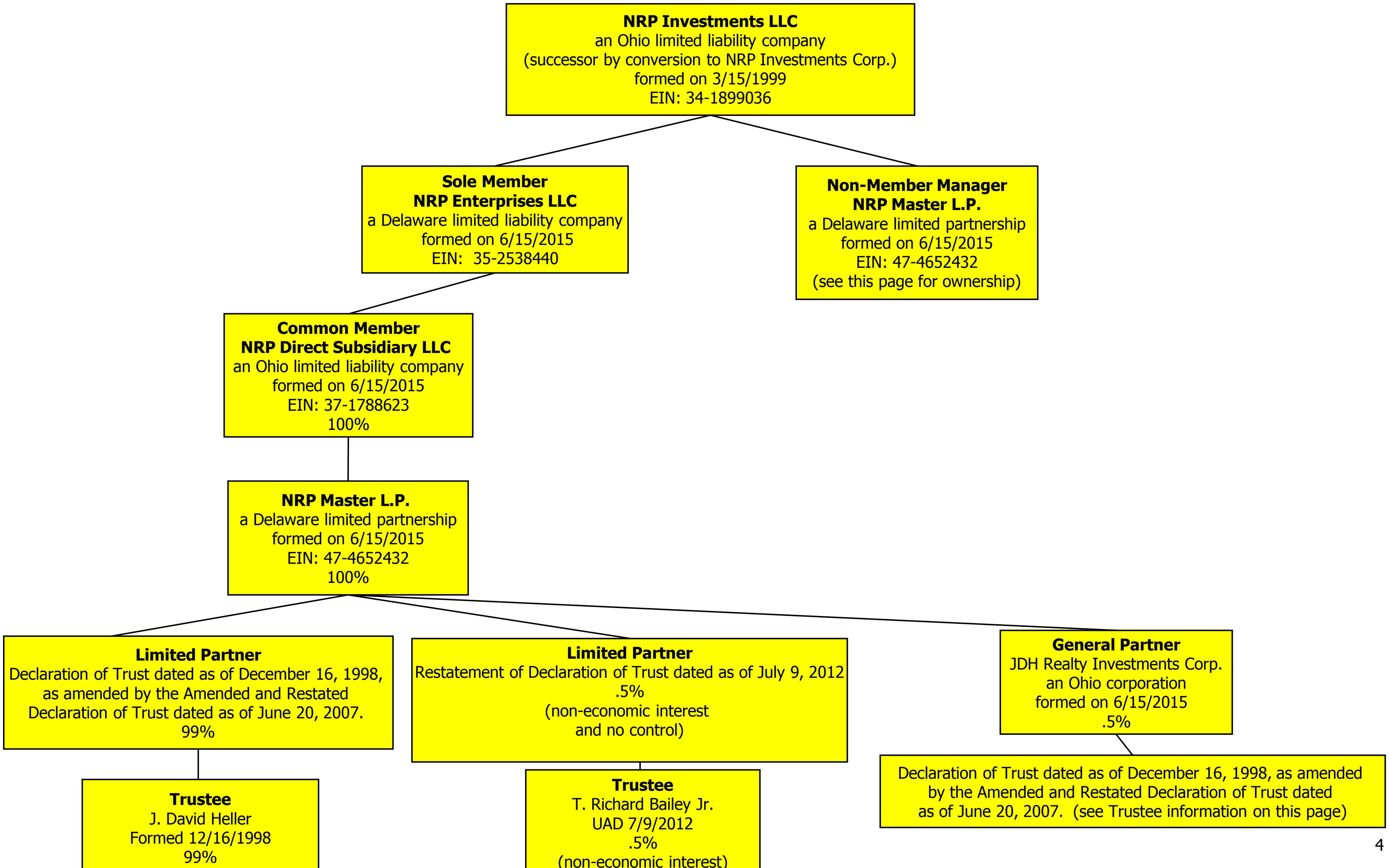
COMMON MEMBER
NRP Direct Subsidiary LLC
an Ohio limited liability company
formed on 6/15/2015
EIN: 37-1788623
100%
(see page 4 for ownership)

NON-MEMBER MANAGER
NRP Investments LLC
an Ohio limited liability company
(successor by conversion to
NRP Investments Corp.)
originally formed on 3/15/1999
EIN: 34-1899036
(see page 4 for ownership)

CO-GUARANTOR
NRP Contractors LLC
an Ohio limited liability company
formed on 3/19/1995
EIN: 34-1811031

SOLE MEMBER
NRP Investments LLC
an Ohio limited liability company
(successor by conversion to
NRP Investments Corp.)
formed on 3/15/1999
EIN: 34-1899036
100%
(see page 4 for ownership)

SAN JUAN III


NRP Investments LLC
an Ohio limited liability company
(successor by conversion to NRP Investments Corp.)
formed on 3/15/1999
EIN: 34-1899036
Sole Member
NRP Enterprises LLC
a Delaware limited liability company
formed on 6/15/2015
EIN: 35-2538440
Non-Member Manager
NRP Master L.P.
a Delaware limited partnership
formed on 6/15/2015
EIN: 47-4652432
(see this page for ownership)
Common Member
NRP Direct Subsidiary LLC
an Ohio limited liability company
formed on 6/15/2015
EIN: 37-1788623
100%
NRP Master L.P.
a Delaware limited partnership
formed on 6/15/2015
EIN: 47-4652432
100%
Limited Partner
Declaration of Trust dated as of December 16, 1998, as amended by the Amended and Restated Declaration of Trust dated as of June 20, 2007.
99%
Limited Partner
Restatement of Declaration of Trust dated as of July 9, 2012
.5%
(non-economic interest and no control)
General Partner
JDH Realty Investments Corp.
an Ohio corporation
formed on 6/15/2015
.5%
Declaration of Trust dated as of December 16, 1998, as amended by the Amended and Restated Declaration of Trust dated as of June 20, 2007. (see Trustee information on this page)
Trustee
J. David Heller
Formed 12/16/1998
99%
Trustee
T. Richard Bailey Jr.
UAD 7/9/2012
.5%
(non-economic interest)

New Org Chart Information

Organizations & Persons with a Direct Interest in the Proposed Development Owner

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, non-profits, or any other public or private entity and their Affiliates identified on the New Owner Organization Chart. Any Organization that owns or controls another organization should be identified as a separate entity. All natural persons with a percentage of ownership interest must be listed below each entity (Board members should be listed below non-profits). All new entities of the proposed Owner will be checked for Certificates of Reservation and Account Status with the Texas Secretary of State and the Texas Comptroller. If filings are foreign, cannot be found or are not current, do not represent structures as indicated, or if signatory authority cannot be verified, additional documentation will be requested. (Note - Entity Names, natural persons, and ownership percentage should coincide with the Owner and Developer Organization Charts). More space is available by unhiding cells after Row 314.

Entity # 1

Organization Name: RD Holdco — Entity Role: Non-Mng Mbr & Mbr

Address: 3509 Transportation Blvd. — City: Cleveland — State: Oh — Zip: 44125

Authorized Officer: Noam Magence — Phone: 216-475-8900 — Email: nmagence@nrpgroup.com

Taxpayer ID: 47-1044555 — Org Type: Limited Liability Company

Formed Outside TX? Y — Date Formed: 5/14/2014 — % Ownership: 88 % — Previous TDHCA Experience? Y

All proposed new individuals/entities with a controlling interest must submit financial statements with Tab 10

Date of Last Financial Statement: Sent Separately — Total Liquid Assets and Cash On Hand: $ Info sent separately

List of Natural Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

1. J. David Heller, Trustee — TDHCA Experience? Y
2. T. Richard Bailey, Trustee — TDHCA Experience?
3. — TDHCA Experience?
4.
5.
6.

Entity # 2

Organization Name: San Juan III E-Group LLC — Entity Role: Non-Managing Mbr.

Address: 5309 Transportation Blvd — City: Cleveland — State: Oh — Zip: 44125

Authorized Officer: Noam Magence — Phone: 216-475-8900 — Email: nmagence@nrpgroup.com

Taxpayer ID: 46-2200449 — Org Type: Limited Liability Company

Formed Outside TX? Y — Date Formed: 2/22/2013 — % Ownership: 12 % — Previous TDHCA Experience? n

All proposed new individuals and entities with a controlling interest must submit financial statements with Tab 10

Date of Last Financial Statement: — Total Liquid Assets and Cash On Hand: $

List of Natural Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

1. NRP E-Group Manager LLC — TDHCA Experience?
2. N/A — TDHCA Experience?
3. N/A — TDHCA Experience?
4. — TDHCA Experience?
5. — TDHCA Experience?
6. — TDHCA Experience?

Entity # 3

Organization Name: NRP E-Group Manager LLC — Entity Role: Non-Mbr Manager

Address: 5309 Transportation Blvd — City: Cleveland — State: Oh — Zip: 44125

Authorized Officer: Noam Magence — Phone: 216-475-8900 — Email: nmagence@nrpgroup.com

Taxpayer ID: 45-5399140 — Org Type: Limited Liability Company

Formed Outside TX? Y — Date Formed: 5/23/2012 — % Ownership: % — Previous TDHCA Experience? Y

Date of Last Financial Statement: Sent Separately — Total Liquid Assets and Cash On Hand: $ Sent Separately

List of Nautral Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

1. RD Holdco LLC — TDHCA Experience? Y
2. — TDHCA Experience? Y
3. — TDHCA Experience?

TDHCA Experience? — TDHCA Experience? — TDHCA Experience?

Entity # 4

Organization Name: J. David Heller, Trustee — Entity Role: Non-Managing Mbr

Address: 5309 Transportation Blvd. — City: Cleveland — State: Oh — Zip: 44125

Authorized Officer: Noam Magence — Phone: 216-475-8900 — Email: nmagence@nrpgroup.com

Taxpayer ID: 285-62-2585 — Org Type: Other

Formed Outside TX? Y — Date Formed: 12/16/1998 — % Ownership: 99 % — Previous TDHCA Experience? Y

All proposed new individuals and entities with a controlling interest must submit financial statements with Tab 10

Date of Last Financial Statement: Sent Separately Total Liquid Assets and Cash On Hand: $ Sent Separately

List of Natural Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

1. N/A 2. N/A 3. N/A

Entity # 5

Organization Name: T. Richard Bailey Jr., Trustee Entity Role: Non-Managing Mbr

Address: 5309 Transportation Blvd. City: Cleveland State: Oh Zip: 44125

Authorized Officer: Noam Magence Phone: 216-475-8900 Email: nmagence@nrpgroup.com

Taxpayer ID: 259-86-5602 Org Type: Other

Formed Outside TX? Y Date Formed: 7/9/2012 % Ownership: 0.5 % Previous TDHCA Experience? Y

All proposed new individuals and entities with a controlling interest must submit financial statements with Tab 10

Date of Last Financial Statement: Sent Sparately Total Liquid Assets and Cash On Hand: $ Sent Separately

List of Natural Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

Entity # 6

Organization Name: NRP Holdings LLC Entity Role: Co-Developer

Address: 5309 Transportation Blvd. City: Cleveland State: Oh Zip: 44125

Authorized Officer: Noam Magence Phone: 216-475-8900 Email: nmagence@nrpgroup.com

Taxpayer ID: 06-1643724 Org Type: Limited Liability Company

Formed Outside TX? Y Date Formed: 12/26/2001 % Ownership: 70 % Previous TDHCA Experience? Y

All proposed new individuals and entities with a controlling interest must submit financial statements with Tab 10

Date of Last Financial Statement: Sent Separately Total Liquid Assets and Cash On Hand: $ Sent Separately

List of Natural Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

1. NRP Direct Subsidiary LLC 2. NRP Investments LLC 3.

TDHCA Experience? Y TDHCA Experience? TDHCA Experience?

4. 5. 6.

TDHCA Experience? TDHCA Experience? TDHCA Experience?

Entity # 7

Organization Name: NRP Direct Subsidiary LLC Entity Role: Common Member

Address: 5309 Transportation Blvd City: Cleveland State: Oh Zip: 44125

Authorized Officer: Noam Magence Phone: 216-475-8900 Email: nmagence@nrpgroup.com

Taxpayer ID: 37-1788623 Org Type: Limited Liability Company

Formed Outside TX? Y Date Formed: 12/16/1998 % Ownership: % Previous TDHCA Experience? Y

Date of Last Financial Statement: Sent Separately Total Liquid Assets and Cash On Hand: $ Sent Separately

List of Natural Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

1. NRP Master L.P. 2. 3.

TDHCA Experience? Y TDHCA Experience? TDHCA Experience?

4. 5. 6.

TDHCA Experience? TDHCA Experience? TDHCA Experience?

Entity # 8

Organization Name: NRP Enterprises LLC Entity Role: Sole Member

Address: 5309 Transportation Blvd. City: Cleveland State: Oh Zip: 44125

Authorized Officer: Noam Magence Phone: 216-475-8900 Email: nmagence@nrpgroup.com

Taxpayer ID: 35-2538440 Org Type: Limited Liability Company

Formed Outside TX? Y Date Formed: 7/9/2012 % Ownership: % Previous TDHCA Experience? Y

Date of Last Financial Statement: Sent Separately Total Liquid Assets and Cash On Hand: $ Sent Separately

List of Natural Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

1. NRP Direct Subsidiary LLC 2. 3.

TDHCA Experience? TDHCA Experience? TDHCA Experience?

4. 5. 6.

TDHCA Experience? TDHCA Experience? TDHCA Experience?

Entity # 9

Organization Name: NRP Master L.P. Entity Role:

Address: 5309 Transportation Blvd City: Cleveland State: Oh Zip: 44125

Authorized Officer: Noam Magence Phone: 216-475-8900 Email: nmagence@nrpgroup.com

Taxpayer ID: 47-4652432 Org Type: Limited Liability Company

Formed Outside TX? Y Date Formed: 12/26/2001 % Ownership: 100 % Previous TDHCA Experience? Y

All proposed new individuals and entities with a controlling interest must submit financial statements with Tab 10

Date of Last Financial Statement: Sent Separately Total Liquid Assets and Cash On Hand: $ Sent Separately

List of Natural Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

1. J. David Heller, Trustee **2.** T. Richard Bailey, Jr., Trustee **3.**

TDHCA Experience? Y TDHCA Experience? Y TDHCA Experience?

4. **5.** **6.**

TDHCA Experience? TDHCA Experience? TDHCA Experience?

Entity # 10

Organization Name: JDH Realty Investments Corp. Entity Role: General Partner

Address: 5309 Transportation Blvd City: Cleveland State: Oh Zip: 44125

Authorized Officer: Noam Magence Phone: 216-475-8900 Email: nmagence@nrpgroup.com

Taxpayer ID: 47-452499 Org Type: Corporation

Formed Outside TX? Y Date Formed: 6/15/2015 % Ownership: 0.5 % Previous TDHCA Experience? Y

All proposed new individuals and entities with a controlling interest must submit financial statements with Tab 10

Date of Last Financial Statement: Sent Separately Total Liquid Assets and Cash On Hand: $ Sent Separately

List of Natural Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

1. J. David Heller, Trustee **2.** **3.**

TDHCA Experience? Y TDHCA Experience? TDHCA Experience?

4. **5.** **6.**

TDHCA Experience? TDHCA Experience? TDHCA Experience?

Entity # 11

Organization Name: Entity Role:

Address: City: State: Zip:

Authorized Officer: Phone: Email:

Taxpayer ID: Org Type:

Formed Outside TX? Date Formed: % Ownership: % Previous TDHCA Experience?

Date of Last Financial Statement: Total Liquid Assets and Cash On Hand: $

List of Natural Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

1. **2.** **3.**

TDHCA Experience? TDHCA Experience? TDHCA Experience?

4. **5.** **6.**

TDHCA Experience? TDHCA Experience? TDHCA Experience?

Entity # 12

Organization Name: Entity Role:

Address: City: State: Zip:

Authorized Officer: Phone: Email:

Taxpayer ID: Org Type:

Formed Outside TX? Date Formed: % Ownership: % Previous TDHCA Experience?

Date of Last Financial Statement: Total Liquid Assets and Cash On Hand: $

List of Natural Persons (Indicate Previous TDHCA Experience by selecting "Y" or "N")

1. **2.** **3.**

TDHCA Experience? Y TDHCA Experience? Y TDHCA Experience?

4. **5.** **6.**

TDHCA Experience? TDHCA Experience? TDHCA Experience?

Previous Participation Form

Form must be completed separately for each person that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: RD Holdco LLC

Email Address: nmagence@nrpgroup.com

City & State of Home Addr: Cleveland

Applicant Legal Name: San Juan III

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (RHD), and BOND) that you have controlled at any time.

☐ By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
14150	Eagles Rest	San Antonio	HTC	08/14	
16400	Acme Apartments	San Antonio	HTC	06/16	
11185	Azure Pointe	Beaumont	HTC	08/11	
13193	Balcones Lofts	Balcones Heights	HTC	07/13	
15406	Palo Alto	San Antonio	HTC/MRb	06/15	
15411	Denton Apartments	Denton	HTC/MRB	12/15	
15420	The Terrance at Walnut Creek	Austin	HTC/MRB	01/16	
16408	Broadmoor Apartments	Fort Worth	HTC	10/16	
12413	Sienna Pointe	San Marcos	HTC	02/13	
13608	Decatur Angle	Fort Worth	HTC	01/14	

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

x By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

Community Affairs:	CEAP		DOE		HHSP		WAP	
	CSBG		ESG		LIHEAP			
HOME:	CFDC		HBA		PWD		TBRA	
	DR		HRA		SFD			
HTF/OCI:	AYBR		Bootstrap		CFDC		Self-Help	
Other:							**NSP**	

Previous Participation Form

Form must be completed separately for each person that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role:	J. David Heller, Trustee, Member
Email Address:	nmagence@nrpgroup.com
City & State of Home Addr:	Cleveland
Applicant Legal Name:	San Juan III

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (RHD), and BOND) that you have controlled at any time.

☐ By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
11185	Azure Pointe	Beaumont	HTC	08/16	
13193	Balcones Lofts	Balcones Heights	HTC	08/13	
13608	Decatur-Angle Apartments	Fort Worth	HTC/MRB	01/14	
14402	Bruton Apartments	Dallas	HTC/MRB	07/14	
14150	Eagles Rest	San Antonio	HTC	08/14	
15406	Palo Alto Apartments	San Antonio	HTC/MRB	06/15	
15420	Terrace at Walnut Creek	Austin	HTC/MRB	01/16	
15411	Denton Apartments	Denton	HTC/MRB	12/15	
16400	Acme Apartments	San Antonio	HTC	06/16	
16607	Mercantile Apartments	Fort Worth	HTC/MRB	07/16	
16408	Broadmoor Apartments	Fort Worth	HTC	10/16	
16061	Easterling Culebra	San Antonio	HTC	07/16	
16105	Tuscany Park At Arcola	Arcola	HTC	07/16	
12413	Sienna Pointe	San Marcos	HTC	02/13	

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

x By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

Community Affairs:	CEAP		DOE		HHSP		WAP	
	CSBG		ESG		LIHEAP			
HOME:	CFDC		HBA		PWD		TBRA	
	DR		HRA		SFD			
HTF/OCI:	AYBR		Bootstrap		CFDC		Self-Help	
Other:							**NSP**	

Previous Participation Form

Form must be completed separately for each person that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: J. David Heller, Trustee, Member

Email Address: nmagence@nrpgroup.com

City & State of Home Addr: Cleveland

Applicant Legal Name:

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (RHD), and BOND) that you have controlled at any time.

☐ By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
11185	Azure Pointe	Beaumont	HTC	08/16	
13193	Balcones Lofts	Balcones Heights	HTC	08/13	
13608	Decatur-Angle Apartments	Fort Worth	HTC/MRB	01/14	
14402	Bruton Apartments	Dallas	HTC/MRB	07/14	
14150	Eagles Rest	San Antonio	HTC	08/14	
15406	Palo Alto Apartments	San Antonio	HTC/MRB	06/15	
15420	Terrace at Walnut Creek	Austin	HTC/MRB	01/16	
15411	Denton Apartments	Denton	HTC/MRB	12/15	
16400	Acme Apartments	San Antonio	HTC	06/16	
16607	Mercantile Apartments	Fort Worth	HTC/MRB	07/16	
16408	Broadmoor Apartments	Fort Worth	HTC	10/16	
16061	Easterling Culebra	San Antonio	HTC	07/16	
16105	Tuscany Park At Arcola	Arcola	HTC	07/16	
12413	Sienna Pointe	San Marcos	HTC	02/13	

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

x By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

Community Affairs:	CEAP		DOE		HHSP		WAP	
	CSBG		ESG		LIHEAP			
HOME:	CFDC		HBA		PWD		TBRA	
	DR		HRA		SFD			
HTF/OCI:	AYBR		Bootstrap		CFDC		Self-Help	
Other:							**NSP**	

Previous Participation Form

Form must be completed separately for each person that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: T. Richard Bailey, Jr., Trustee, Member

Email Address: nmagence@nrpgroup.com

City & State of Home Addr: Cleveland

Applicant Legal Name: San Juan III

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (RHD), and BOND) that you have controlled at any time.

☐ By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
11185	Azure Pointe	Beaumont	HTC	08/16	
13193	Balcones Lofts	Balcones Heights	HTC	08/13	
13608	Decatur-Angle Apartments	Fort Worth	HTC/MRB	01/14	
14402	Bruton Apartments	Dallas	HTC/MRB	07/14	
14150	Eagles Rest	San Antonio	HTC	08/14	
15406	Palo Alto Apartments	San Antonio	HTC/MRB	06/15	
15420	Terrace at Walnut Creek	Austin	HTC/MRB	01/16	
15411	Denton Apartments	Denton	HTC/MRB	12/15	
16400	Acme Apartments	San Antonio	HTC	06/16	
16607	Mercantile Apartments	Fort Worth	HTC/MRB	07/16	
16408	Broadmoor Apartments	Fort Worth	HTC	10/16	
16061	Easterling Culebra	San Antonio	HTC	07/16	
16105	Tuscany Park At Arcola	Arcola	HTC	07/16	
12413	Sienna Pointe	San Marcos	HTC	02/13	

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

[x] By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

Community Affairs:	CEAP		DOE		HHSP		WAP	
	CSBG		ESG		LIHEAP			
HOME:	CFDC		HBA		PWD		TBRA	
	DR		HRA		SFD			
HTF/OCI:	AYBR		Bootstrap		CFDC		Self-Help	
Other:							**NSP**	

Previous Participation Form

Form must be completed separately for each person that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: NRP Holdings LLC

Email Address: nmagence@nrpgroup.com

City & State of Home Addr: Cleveland

Applicant Legal Name: San Juan III

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (RHD), and BOND) that you have controlled at any time.

☐ By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
03094	Reserve II at Las Brisas	Irving	HTC	07/03	
04446	Villas at Costa Biscaya	San Antonio	HTC	11/04	
04461	Villas at Costa Cadiz	San Antonio	HTC	10/04	
05159/080	San Juan Square	San Antonio	HTC	07/05	
05160/080	The Alhambra	San Antonio	HTC	07/05	
05436	Costa Valencia	San Antonio	HTC	12/05	
05433	The Villas at Costa Tarragona	Corpus Christi	HTC/HTF	11/05	
060422	Costa Mirada	San Antonio	HTC	10/06	
060426	Costa Almadena	San Antonio	HTC	11/06	
4224/0705	Commons of Grace	Houston	HTC	12/06	
060433	Costa Verde	Clute	HTC	12/06	
07619	Costa Rialto	Houston	HTC/MRB/TCAP	07/07	
07415	Costa Vizcaya	Houston	HTC/TCAP	07/07	
07170/089	The Gibraltar	Clute	HTC/TCAP	07/07	
07171/080	San Juan Square II	San Antonio	HTC	07/07	
08602	Costa Ibiza	San Antonio	HTC/MRB/TCAP	08/08	
08280/09024	Costa Esmeralda	Waco	HTC	05/09	
08615/09605	Woodmont Apartments	Fort Worth	HTC/MRB/HOME	07/09	
09604	Costa Mariposa	Galveston County	HTC/MRB/HOME	05/09	
08273/09023	Four Seasons at Clear Creek	Fort Worth	HTC	05/09	
09401	Encino Pointe	San Marcos	HTC/MRB/HOME	05/09	
09188	Casa Brazoria	Clute	HTC	07/09	
09192	Tierra Pointe	Karnes County	HTC	07/09	
09404	Cevallos Lofts	San Antonio	HTC/TCAP	07/09	
09402	The Mirabella	San Antonio	HTC/MRB/TCAP/HOME	07/09	
10125	Costa Tarragona II	Corpus Christi	HTC	09/10	
10119	Race Street Lofts	Fort Worth	HTC/HOME	09/10	
11185	Azure Pointe	Beaumont	HTC	08/11	
12415	San Juan III	San Antonio	MRB/HOME	04/13	
13193	Balcones Lofts	Balcones Heights	HTC	08/13	
13196	Emerald Village	San Antonio	HTC	10/13	
14402	Bruton Apartments	Dallas	HTC/MRB	07/14	
14150	Eagles Rest	San Antonio	HTC	08/14	
15406	Palo Alto Apartments	San Antonio	HTC/MRB	06/15	
15420	Terrace at Walnut Creek	Austin	HTC/MRB	1/16	
15411	Denton Apartments	Denton	HTC/MRB	12/15	
16400	Acme Apartments	San Antonio	HTC	06/16	
16607	Mercantile Apartments	Fort Worth	HTC/MRB	07/16	
16105	Tuscany Park At Arcola	Arcola	HTC	07/16	
16061	Easterling Culebra Apartments	San Antonio	HTC	07/16	
16408	Broadmoor Apartments	Fort Worth	HTC	10/16	
12413	Sienna Pointe	San Marcos	HTC	02/13	
13608	Decatur-Angle Apartments	Fort Worth	HTC/MRB	01/14	

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

x By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

Community Affairs:	CEAP		DOE		HHSP		WAP	
	CSBG		ESG		LIHEAP			
HOME:	CFDC		HBA		PWD		TBRA	
	DR		HRA		SFD			
HTF/OCI:	AYBR		Bootstrap		CFDC		Self-Help	
Other:							**NSP**	

Previous Participation Form

Form must be completed separately for each person that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role:	NRP Direct Subsidiary, LLC
Email Address:	nmagence@nrpgroup.com
City & State of Home Addr:	Cleveland
Applicant Legal Name:	San Juan III

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (RHD), and BOND) that you have controlled at any time.

☐ By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
16400	Acme Aparments	San Antonio	HTC	06/16	
16607	Mercantile Apartments	Fort Worth	HTC/MRB	07/16	
16408	Broadmoor Apartments	Fort Worth	HTC	10/16	
16061	Easterling Culebra	San Antonio	HTC	07/16	
16105	Tuscany Park At Arcola	Arcola	HTC	07/16	
13193	Balcones Lofts	Balcones Heights	HTC	07/13	
13608	Decatur Angle	Fort Worth	HTC	01/14	
12413	Sienna Pointe	San Marcos	HTC	02/13	

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

x By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

Community Affairs:	CEAP		DOE		HHSP		WAP	
	CSBG		ESG		LIHEAP			
HOME:	CFDC		HBA		PWD		TBRA	
	DR		HRA		SFD			
HTF/OCI:	AYBR		Bootstrap		CFDC		Self-Help	
Other:							**NSP**	

Previous Participation Form

Form must be completed separately for each person that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: NRP Enterprises LLC, Sole Member

Email Address: nmagence@nrpgroup.com

City & State of Home Addr: Cleveland

Applicant Legal Name: San Juan III

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (RHD), and BOND) that you have controlled at any time.

☐ By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
16607	Mercantile Apartments	Fort Worth	HTC/MRB	07/16	
16061	Easterling Culebra	San Antonio	HTC	07/16	
16105	Tuscany Park At Arcola	Arcola	HTC	07/16	
13193	Balcones Lofts	Balcones Heights	HTC	08/13	
12413	Sienna Pointe	San Marcos	HTC	02/13	
13608	Decatur-Angle Apartments	Fort Worth	HTC/MRB	01/14	

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

☒ x By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

Community Affairs:	CEAP		DOE		HHSP		WAP	
	CSBG		ESG		LIHEAP			
HOME:	CFDC		HBA		PWD		TBRA	
	DR		HRA		SFD			
HTF/OCI:	AYBR		Bootstrap		CFDC		Self-Help	
Other:							**NSP**	

Previous Participation Form

Form must be completed separately for each person that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: NRP Master L.P.

Email Address: nmagence@nrpgroup.com

City & State of Home Addr: Cleveland

Applicant Legal Name: San Juan III

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (RHD), and BOND) that you have controlled at any time.

☐ By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
16400	Acme Apartments	San Antonio	HTC	06/16	
16607	Mercantile Apartments	Fort Worth	HTC/MRB	07/16	
16408	Broadmoor Apartments	Fort Worth	HTC	10/16	
16061	Easterling Culebra	San Antonio	HTC	07/16	
16105	Tuscany Park At Arcola	Arcola	HTC	07/16	
13193	Balcones Lofts	Balcones Heights	HTC	07/13	
13608	Decatur Angle	Fort Worth	HTC	01/14	
12413	Sienna Pointe	San Marcos	HTC	02/13	

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

x By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

Community Affairs:	CEAP		DOE		HHSP		WAP	
	CSBG		ESG		LIHEAP			
HOME:	CFDC		HBA		PWD		TBRA	
	DR		HRA		SFD			
HTF/OCI:	AYBR		Bootstrap		CFDC		Self-Help	
Other:							**NSP**	

Previous Participation Form

Form must be completed separately for each person that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role:	JDH Realty Investments Corp., General Partner
Email Address:	nmagence@nrpgroup.com
City & State of Home Addr:	Cleveland
Applicant Legal Name:	San Juan III

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (RHD), and BOND) that you have controlled at any time.

☐ By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
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16061	Easterling Culebra	San Antonio	HTC	07/16	
16105	Tuscany Park At Arcola	Arcola	HTC	07/16	
12413	Sienna Pointe	San Marcos	HTC	02/13	
13608	Decatur Angle	Fort Worth	HTC	01/14	
13193	Balcones Lofts	Balcones Heights	HTC	08/13	

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

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Community Affairs:	CEAP		DOE		HHSP		WAP	
	CSBG		ESG		LIHEAP			
HOME:	CFDC		HBA		PWD		TBRA	
	DR		HRA		SFD			
HTF/OCI:	AYBR		Bootstrap		CFDC		Self-Help	
Other:							**NSP**	

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BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit ("HTC") Land Use Restriction Agreement ("LURA") for Killeen Veranda fka Veranda at Twin Creek (HTC #99053)

RECOMMENDED ACTION

WHEREAS, Killeen Veranda (the "Development") received a 9% HTC award and Housing Trust Funds in 1999 to construct 88 multifamily units in Killeen, Bell County;

WHEREAS, the HTC application for the Development received points and/or other preferences for agreeing to provide a Right of First Refusal ("ROFR") to purchase the Development, and the LURA requires a two-year ROFR period;

WHEREAS, in Spring 2015, the Texas Legislature amended Tex. Gov't Code §2306.6725 and §2306.6726 to allow, among other things, for a 180-day ROFR period and to permit a Qualified Entity to purchase a property under ROFR, and defined a Qualified Entity to mean an entity described by, or an entity controlled by an entity described by, §42(i)(7)(A), Internal Revenue Code of 1986;

WHEREAS, the Development Owner requests to amend the LURA for the Development to incorporate changes made to Tex. Gov't Code §2306.6725 and §2306.6726; and

WHEREAS, amendment to the ROFR period in the LURA is a material change requiring Board approval under 10 TAC §10.405(b)(2) and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board, including holding a public hearing at which no negative public comment was received;

NOW, therefore, it is hereby

RESOLVED, that the material LURA amendment for Killeen Veranda 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

Killeen Veranda, fka Veranda at Twin Creek, received an award of 9% HTC and Housing Trust Funds in 1999 for the new construction of 88 multifamily units in Killeen, Bell County. In a letter dated December 27, 2017, the Development Owner, Killeen Veranda Apartments, L.P. (Claudia Lankford), requested approval to amend the HTC LURA related to the ROFR provision.

The additional use restrictions in the current HTC LURA require, among other things, a two-year ROFR to sell the Development based on a set order of priority to a community housing development organization (as defined for purposes of the federal HOME Investment Partnership Program at 24 CFR Part 92), to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)), or to a tenant organization, if at any time after the fifteenth year of the Compliance Period the owner decides to sell the property.

The Development Owner requests to amend the HTC LURA to replace the two-year ROFR period with a 180-day ROFR period. The property is currently in the eighteenth year of the twenty-five year Compliance Period specified in the LURA.

In 2015, the Texas Legislature passed HB 3576 which amended Tex. Gov't Code §2306.6725 to allow for a 180-day ROFR period and §2306.6726 to allow for a Qualified Entity to purchase a development under a ROFR provision of the LURA and satisfy the ROFR requirement. Additionally, §2306.6726, as amended by HB 3576, defines Qualified Entity to mean an entity described by, or an entity controlled by an entity described by, §42(i)(7)(A) of the Internal Revenue Code of 1986. The Department's 2017 Uniform Multifamily Rules, Subchapter E, implemented administrative procedures to allow a Development Owner to conform to the new ROFR provisions described in the amended statute.

The Development Owner has complied with the amendment and notification requirements under the Department's rule at Tex. Gov't Code §2306.6712 and 10 TAC §10.405(b). The Development Owner held a public hearing on the matter on January 30, 2018, at the Development's onsite community clubhouse. No negative public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

KILLEEN VERANDA APARTMENTS, L.P.
27000 Kuykendahl Rd., Suite C100
Tomball, TX. 77375

December 27, 2017

VIA HAND DELIVERY
Ms. Lee Ann Chance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: TDHCA File No. 99053; The Veranda Apartments (the "**Property**")

Dear Lee Ann:

The undersigned is the General Partner (herein so called) of Killeen Veranda Apartments, L.P., a Texas limited partnership (the "**Partnership**") and the current owner of the Property. This letter constitutes request for a material LURA amendment in order to modify the two-year Right of First Refusal ("**ROFR**") period.

Request to Amend the ROFR Period

In 2015, Texas Government Code Section 2306.6726 was amended to allow for a 180-day Right of First Refusal ("**ROFR**") period. Currently, the LURA for this Property requires a two-year ROFR period. Section 10.405(b)(2)(E) of the Rules allows for a LURA amendment in order to conform a ROFR period to the period described in Section 2306.6726. Therefore the General Partner, acting on behalf of the Partnership requests a LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period.

LURA Amendment

In accordance with Section 10.405(b) of the Rules, the Partnership is delivering a fee in the amount of $2,500. In addition, the Partnership commits to hold a public hearing as required by the Rules, and to notify all residents, investors and lenders as to this proposed amendment. The Partnership will proceed to set a date and time for the public hearing and will provide TDHCA with evidence that the notice has been delivered and the hearing has been conducted. With that, the Partnership requests staff recommendation in support of this request to be considered at the February 22, 2018 TDHCA Board meeting.

Thank you for your assistance. Please do not hesitate to contact us if you require any additional information or have any questions.

Sincerely,

KILLEEN VERANDA APARTMENTS I, L.L.C.,
a Texas limited liability company

By: Claudia Lankford
Claudia Lankford
Manager

Killeen Veranda Apartments, L.P.
27000 Kuykendahl Rd., Suite C100
Tomball, TX. 77375

January 15, 2018

Dear Resident:

The Veranda Apartments (the "**Community**") is owned by Killeen Veranda Apartments, L.P. (the "**Owner**"). In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**") (Phone: 512-475-3800; Website: www.tdhca.state.tx.us).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years and permitting the Owner to transfer the Community to certain kinds of entities in the right of first refusal process. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period. TDHCA Uniform Multifamily Rules require that notice of this request be provided to all residents of the Property.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community. Accordingly, there will be a public meeting to discuss this matter and we invite you to attend. The public hearing is your opportunity to discuss the amendment request and voice your concerns. The public hearing will take place at the Community's management office/clubhouse on **January 30, 2018, at 6:00p.m.** Information from this meeting will be submitted for consideration by the Department's governing board at its next available meeting.

Please note that this proposal will ***not*** affect your current lease agreement, your rent payment, or your security deposit. You will ***not*** be required to move out of your home or take any other action because of this change. If the Department approves the Owner's request, the Community will not change at all from its current form.

If you are unable to attend the public hearing and would like to submit your concerns in writing to the Department, please send your comments via email to asset.management@tdhca.state.tx.us or you may mail them to:

Texas Department of Housing and Community Affairs
Asset Management Division
221 East 11th Street
Austin, Texas 78701

We appreciate that The Veranda Apartments is your home. We invite you to attend the public meeting to give your input on this proposal.

Thank you for choosing The Veranda Apartments as your home.

Sincerely,

KILLEEN VERANDA APARTMENTS, L.P.,
a Texas limited partnership

By: Killeen Veranda Apartments I, L.L.C.,
a Texas limited liability company
its General Partner

By: Claudia Lankford
Claudia Lankford
Manager

SIGNATURE PAGE

Killeen Veranda Apartments, L.P.
27000 Kuykendahl Rd., Suite C100
Tomball, TX. 77375

January 15, 2018

PNC Real Estate
121 SW Morrison, Suite 1300
Portland, OR 97204

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In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community. Accordingly, there will be a public meeting to discuss this matter and we invite you to attend. The public hearing will take place at the Community's management office/clubhouse on **January 30, 2018, at 6:00 p.m.** Information from this meeting will be submitted for consideration by the Department's governing board at its next available meeting.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

KILLEEN VERANDA APARTMENTS, L.P.,
a Texas limited partnership

By: Killeen Veranda Apartments I, L.L.C.,
a Texas limited liability company
its General Partner

By: Claudia Lankford
Claudia Lankford
Manager

Killeen Veranda Apartments, L.P.
27000 Kuykendahl Rd., Suite C100
Tomball, TX. 77375

January 15, 2018

Midland Loan Services,
A PNC Real Estate Business
10851 Mastin Street
Suite 300
Overland Park, KS 66210-1690

The Veranda Apartments (the "**Community**") is owned by Killeen Veranda Apartments, L.P. (the "**Owner**"). In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**") (Phone: 512-475-3800; Website: www.tdhca.state.tx.us).

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In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community. Accordingly, there will be a public meeting to discuss this matter and we invite you to attend. The public hearing will take place at the Community's management office/clubhouse on **January 30, 2018, at 6:00 p.m.** Information from this meeting will be submitted for consideration by the Department's governing board at its next available meeting.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

KILLEEN VERANDA APARTMENTS, L.P.,
a Texas limited partnership

By: Killeen Veranda Apartments I, L.L.C.,
a Texas limited liability company
its General Partner

By: Claudia Lankford
Claudia Lankford
Manager

Killeen Veranda Apartments, L.P.
27000 Kuykendahl Rd., Suite C100
Tomball, TX. 77375

January 15, 2018

Hill Country Community Action
Attn: Tama Shaw
P.O. Box 846
San Saba, TX 76877

The Veranda Apartments (the "**Community**") is owned by Killeen Veranda Apartments, L.P. (the "**Owner**"). In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**") (Phone: 512-475-3800; Website: www.tdhca.state.tx.us).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years and permitting the Owner to transfer the Community to certain kinds of entities in the right of first refusal process. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period. TDHCA Uniform Multifamily Rules require that notice of this request be provided to the investors and lenders that have provided financing for the Community.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community. Accordingly, there will be a public meeting to discuss this matter and we invite you to attend. The public hearing will take place at the Community's management office/clubhouse on **January 30, 2018, at 6:00 p.m.** Information from this meeting will be submitted for consideration by the Department's governing board at its next available meeting.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

KILLEEN VERANDA APARTMENTS, L.P.,
a Texas limited partnership

By: Killeen Veranda Apartments I, L.L.C.,
a Texas limited liability company
its General Partner

By: Claudia Lankford
Claudia Lankford
Manager

MINUTES

Date: January 30, 2018; 6:00 pm
Public Hearing regarding The Veranda Apartments' LURA Amendment / ROFR Requirement

The public hearing related to the request to amend the LURA Amendment - Right of First Refusal ("ROFR") period was held in the Onsite Community Club House. Jeff Gannon and Linda Person were in attendance representing the owner and property manager. There were 31 residents and 5 other interested parties in attendance. A summary of the discussion is as follows:

Jeff Gannon conducted the meeting and called it to order at 6:04pm. After introducing himself and Linda Person as representatives, he began by explaining that this meeting was taking place as part of the process to change the Land Use Restriction Agreement as explained in the notifications that they received.

After a resident asked for a summary of what the LURA is, Jeff explained that it was a set of rules that the owner is required to operate under and includes such things as length of affordability period and this Right of First Refusal clause. He also reiterated that, if this change were approved by TDHCA, that the remaining LURA would still be in effect and if the development were sold to new owners, they too would have to abide by it.

Several residents asked about rent increases if the property was sold and Jeff explained that the new owners would have to operate the property as affordable (that is as current management has) for as long as the LURA requires it. The residents wanted to know if a copy of the LURA could be reviewed and Jeff and Linda agreed to make several copies available in the clubhouse for residents to review at their leisure.

A resident asked when this change was going to go into effect and if the residents had any say in the matter or if this was just a formality. Jeff stated that the requested change was slated to go to the TDHCA board in February. He also stated that the residents could express their opinions directly to TDHCA using the contact information provided in the notification letters that they all received.

There being no additional questions, Jeff Gannon adjourned the meeting at 6:29 p.m. after all.

Killeen Veranda Apartments, L.P.
TDHCA File No. 99053

THE VERANDA APARTMENTS
RESIDENT PUBLIC MEETING SIGN-IN SHEET

MEETING DATE: JANUARY 30, 2018 AT 6:00 PM

PLACE/ROOM: ONSITE COMMUNITY CLUB HOUSE / MEETING ROOM

Resident Name	Resident Name
Linda Pierce	Sandra Donathan
Marilyn Shugley	Bettie Pennington
Issie Tyler	Eveline Romero
Dennis Knapp	[illegible]
Lunda Snyder	Alex Tristan
Barbara Schulte	Anita Tristan
Florence Hanley	Alene Chance
Ingrid Brady	Daniela Briley
Clementine M. [illegible]	Nelida Ramos
Carol Thompson	Ruby Featherston
Bernice Chlebe	[illegible] White
Clarinda (Corky) Williams	Lated Weatherspoon
Kitako Collazo	[illegible] R Duque
Jannessetta Chiffs	[illegible] Bldg Sh
Gwendolyn L. Green	Josephine Brown
[illegible]	[illegible] Drew
[illegible] Smith	Jani Rugo
Iris B. Rivera	Linda Pergon

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BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit ("HTC") Application and waiver of 10 TAC 10.405(a)(7)(A) for Liberty Square and Liberty Village (HTC #15119)

RECOMMENDED ACTION

WHEREAS, Liberty Square and Liberty Village (the "Development") received an award of 9% Housing Tax Credits in 2015 under the At-Risk Set-Aside for the acquisition and rehabilitation of 80 multifamily units located on scattered sites in Groesbeck;

WHEREAS, at its October 13, 2016, meeting, the TDHCA Board approved previous material amendment requests for the Development, including 100% conversion of the public housing to HUD's Rental Assistance Demonstration ("RAD") program, a revised organizational structure, and a slight change to the Development site acreage, but tabled a decision regarding the Development Owner's request to reduce the income and rent restrictions;

WHEREAS, the Development Owner is now renewing its request to restrict fewer units with income and rent restrictions for which points were awarded under §11.9(c)(1) for Income Levels of Tenants and §11.9(c)(2) for Rent Levels of Tenants under the 2015 Qualified Allocation Plan ("QAP"), citing no impact on scoring would result from this change as the Development will retain the number of units at the required income and rent levels to maintain the points awarded; and

WHEREAS, the Development Owner is also requesting a waiver of the requirements under 10 TAC §10.405(a)(7)(A) relating to amendments that involve a reduction in the total number of low-income units or a reduction in the number of low-income units at any rent or income level, establishing that granting the waiver in this case would serve the Department's purpose under Tex. Gov't Code §2306.001(3) to contribute to the preservation 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;

NOW, therefore, it is hereby

RESOLVED, that the revised income and rent restrictions for Liberty Square and Liberty Village, as recommended by staff and presented herein, are approved; and

FURTHER RESOLVED, that the request to waive 10 TAC §10.405(a)(7)(A), as presented herein, 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

Liberty Square and Liberty Village was approved during the 2015 9% Housing Tax Credit cycle under the At-Risk set-aside to acquire and rehabilitate 80 units located on scattered sites. The Development was originally built in 1964 and 1973 as public housing on two main sites. The owner received its award of HTC under the At-Risk set aside based on its status as a Development proposing to rehabilitate or reconstruct housing units that are owned by a public housing authority and receive assistance under Section 9, United States Housing Act of 1937, as allowed under Tex. Gov't Code §2306.6702. The 2015 HTC application, submitted on behalf of the Groesbeck Housing Authority ("GHA"), proposed the rehabilitation of the units on a one-for-one basis with the same unit mix.

In a letter dated October 30, 2017, Arthur J. Schuldt, Jr., with Housing Solutions Alliance, LLC, the sole member of the managing member of the General Partner, requests approval to reduce the number of income and rent restricted units and the applicable fraction from what was represented and approved at Application. This request was originally presented to the Board at its October 13, 2016 meeting, but was tabled to allow additional analysis by staff to reconcile the differing conclusions on the impact of the change in income and unit mix, and to provide additional time to the Development Owner to provide support that the amendment was not reasonably foreseeable and preventable at the time the Application was submitted.

The Development Owner continues to request a reduction in the number of income and rent restricted units from what was presented and approved at Application such that the number of units at each level would be reduced to the minimum required to continue to qualify for the points awarded. However, in addition to that revision, the owner is also asking to further revise the unit mix so that six units would change from rent restricted to market rate, stating that this change is needed in order to accommodate returning tenants with higher income levels who are entitled to return to the Development pursuant to the RAD program.

According to the owner and consistent with the Department's understanding, HUD requires that the tenant have the right to return to the converted development regardless of the tenant's income. Because six of the returning households do not have an income under the 60% limits, if this change is not approved, the Development will be temporarily out of compliance with its Land Use Restriction Agreement ("LURA"). The Department would be required to report the noncompliance on IRS Form 8823 to the Internal Revenue Service ("IRS"). If and when these households vacate, under the RAD program the units will be required to be leased to low income households and at that time the owner would possibly be able to claim 2/3 of the HTC. This is not an unusual circumstance, and the Department's Previous Participation rule already includes special consideration for this circumstance. However, the owner confirmed that the investor limited partner prefers to amend the Application as requested so that it does not run into tax credit noncompliance on this issue. Therefore, in addition to the request to reduce the number of units designated at the 30% and 50% income and rent levels, the owner is also asking to revise the unit mix so that six of the total units convert from rent restricted to market rate. This change to six unrestricted units would accommodate, according to the owner, the six units whose tenants are currently above 60% AMGI and have an unequivocal right to return to the Development.

To support his request for the unrestricted units, Mr. Schuldt states that since the Development has converted from public housing to RAD, the Development is currently subsidized with RAD project based vouchers. These RAD vouchers have an income limit of 50% of AMGI; therefore, if any of the six tenants who have a right to return and currently exceed HTC income requirements were to leave, any newly admitted tenants would have a maximum income requirement of 50% of AMGI, effectively keeping the Development 100% affordable and compliant under the housing tax credit program.

A rent roll dated December 21, 2017, was provided and indicates the property is fully leased. Based on the current income limits for Limestone County, the 80 units are occupied as follows:

Income Level	# Households (HHs) at each income level per latest rent roll	# Units committed at Application	# Units requested in current amendment	# Units recommended
30% AMI	40 HHs	20	6	20
50% AMI	26 HHs	60	59	46
60% AMI	8 HHs	0	9	8
Over 60%	6 HHs	0	6	6
Total	**80**	**80**	**80**	**80**

The application was awarded 16 points for committing 20% of the total units to be set-aside at 50% or less AMGI. The application was also awarded 11 points for committing 7.5% of the total units to be set aside at 30% or less AMI. To continue to qualify for the 16 points under §11.9(c)(1) and the 11 points under §11.9(c)(2), the Development must provide a minimum of six 30% units and 16 50% units.

Based on the latest rent roll for the Development, there are 14 households that exceed the income restrictions approved for this Development. Of those 14 households, eight have incomes that exceed 50% AMI and six have incomes that exceed 60% AMI. However, the rent roll identifies 40 tenants with incomes at 30% or less AMI and 26 tenants with incomes at 50% or less AMI. Therefore, the current makeup of the property does not justify the requested change because households that are income qualified at the 30% AMI level would benefit from the owner keeping the originally committed number of units at the 30% level (20 units). As a result, staff proposes an alternative recommendation, which was discussed with the owner and agreed upon, and believes this alternative recommendation continues to accommodate those tenants who are provided a right to return.

The Department's rule at 10 TAC §10.405(a)(7)(A) requires that evidence supporting the need to reduce the number of low-income units at any rent or income level be presented to the Department, including a written confirmation from the lender and syndicator that the Development is infeasible without the adjustment in units. In the amendment presented to this board at its October 13, 2016 meeting, the owner provided a letter from R4 Capital, the investor for the subject Development, stating support for the requested amendment and stating that the "number of potential returning occupants being over income qualified at the current AMI structure makes investment in this transaction infeasible…" from the investor's underwriting perspective. A letter from the lender, Home Federal Bank, also supported the amendment at that time and stated that if the equity investor expressed concern over feasibility in their underwriting opinion that the lender would have a hard time concluding differently.

Since October 2016, the Development has moved forward and has submitted Construction Status Reports as required by 10 TAC §10.402(h), including a copy of the fully executed Amended and Restated Agreement of Limited Partnership with R4 Capital as the equity investor, and a construction loan agreement with Home Federal Bank as the lender.

Considering that this Development has moved forward with closing on its equity and construction loan with the unit mix and income and rent levels in place as originally proposed in the Application, the owner's current amendment also seeks a waiver of the requirements under 10 TAC §10.405(a)(7)(A), requiring written confirmation from the lender and syndicator that the Development is infeasible without the adjustment in units. The owner's letter states that the requested amendment to the Application, as well as the waiver request were both not reasonably foreseeable and preventable because although the owner knew about the right of return under the RAD program when it applied for tax credits in 2015, the owner could not have predicted the substantial change in tenant incomes between then and now, or the substantially decreased income and rent limits for Limestone County since the 2015 Application was submitted. The owner states that tenants that were below 50% AMGI when the Application was submitted to the Department in 2015 are now considered to have incomes greater than 50% AMGI but less than 60% AMGI, and units that were below 60% AMGI back in 2015 are now considered to be ineligible for the tax credit program. The owner further asserts that there is no effect upon scoring based on the changes proposed because the changes requested would still preserve the low-income targeting points awarded, that all units which are tax credit eligible would remain restricted at 60% AMGI or below; and that the change to the restrictions would not affect the rental income because federal rent subsidy in the form of RAD project based vouchers will be provided to 100% of the units. Therefore, the owner states the Board has good cause for granting the amendment and this waiver as it will allow the Department to fulfill its purpose under Tex. Gov't Code §2306.001(3) to contribute to the preservation 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.

Real Estate Analysis ("REA") has re-evaluated the transaction pursuant to Tex. Gov't Code §2306.6712(b) and has concluded that the Development remains feasible with Asset Management's recommended unit mix.

Staff recommends approval of the waiver of 10 TAC §10.405(a)(7)(A), and approval to revise the unit mix as presented in the table below, recognizing that such recommendation would continue to address the needs based on income levels of the current tenants:

Income Level	**# Households (HHs) at each income level per latest rent roll**	**# Units committed at Application**	**# Units requested in current amendment**	**Staff's recommendation**
30% AMI	40 HHs	20	6	20
50% AMI	26 HHs	60	59	46
60% AMI	8 HHs	0	9	8
Over 60%	6 HHs	0	6	6
Total	**80 HHs**	**80**	**80**	**80**

Real Estate Analysis Division
February 5, 2018

Addendum to Underwriting Report

TDHCA Application #: **15119** Program(s): **9% HTC**

Liberty Square & Liberty Village

Address/Location: 401 N. Leon, 606 W. Jacinto, 707 W. Sabine, 505 N. Fannin, 405 N. Preston, 612 Ellis, and

City: Groesbeck County: Limestone Zip: 76642

	APPLICATION HISTORY
Report Date	**PURPOSE**
02/05/18	**2nd Amendment**
09/27/16	Amendment
10/19/15	New Application - Initial Underwriting

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
LIHTC (Annual)	$647,667				**$647,667**				

CONDITIONS STATUS

1 Receipt and acceptance by Cost Certification:

a: Documentation from a CPA to support inclusion of relocation expense in the cost schedule and in eligible basis.

b: Documentation clearing environmental issues contained in the ESA report, specifically:

i: Any recommendations from the ESA provider have been implemented.

ii: Comprehensive survey identifying the presence of asbestos-containing-materials, lead-based paint, or lead in drinking water; and documentation that appropriate abatement procedures were followed for the demolition, removal, and maintenance of any such materials.

iii: Any recommendations by the ESA provider with regards to Noise mitigation was completed and certified by the ESA provider.

2 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

ANALYSIS

Applicant received a $647,667 annual tax credit award in the 2015 tax credit cycle as recommended in the prior report dated October 19, 2015. On August 26th, 2016, Applicant submitted a request to make amendment to the Application and was partially approved with no change to the recommended credit allocation but the request for changes in income restrictions was tabled. That amendment allowed the Development to revise the RAD component from 75% to 100%.

The current amendment submitted on October 20, 2017 seeks to adjust the income restrictions and applicable fraction to allow for six (6) units to not be subject to LITHC restrictions and revise the income rent restrictions but will retain its 100% RAD designations. The reason for the 6 units non-LIHTC designation is to accommodate for over-income tenants who have a right to return to the development after rehab under the RAD conversion program.

Applicant initially planned to convert to all resident paid utilities but was unable to do so because of HUD restriction against increasing the tenant responsibility, and the conversion would be too costly. Residents will pay gas and electricity while the owner pays water, sewer, and trash.

Changes to the income restrictions are as shown below:

	# Units Originally Approved	# Requested at 1st Amendment	Change	# Units recommended by Asset Management
30% of AMI	20	6	-14	**20**
50% of AMI	60	59	-1	**46**
60% of AMI		9	9	**8**
Market Rate		6	6	**6**
Total Units	80	80		**80**

Operating Pro Forma

Applicant's pro forma and TDHCA's reflect the new utility structure and rent mix.

Applicant's rental income has increased by $44K while expenses have increased by $110K. Rental increase results from the change from tenant paid utilities to new structure. The expense increase stems from Applicant having to underwrite to previous utilities expenses and HUD's requirement of underwriting all payroll for the development to full salary and benefits that covers both the LIHTC and other HUD obligations of staff. Applicant provided a staffing plan that separated out what will be allocated to the property alone which is reflected on the Underwriter's side as well. Applicant also submitted a property insurance renewal quote to justify the increase from previous submissions.

Development Cost

Building costs have increased from $3.9M to $4.5M or $653K. The increased costs were documented with the most recent G703 contract. Changes in soft costs, reserves, and new financing structures add another $596K in costs.

Total Development costs have increased by $1.6M.

Sources of Funds

Applicant previously had a $1.775M loan from Home Federal Bank of Shreveport. Through underwriting with HUD with historical operating expenses along with all payroll for the housing authority underwritten at full salary and benefits , the development could only support $400K as hard debt. This decrease in senior debt resulted in an increase in the subordinate, cash flow paid second mortgage.

The Groesbeck Housing Authority is contributing funds via seller take-back financing of the acquisition in the amount of $1,210,520 at 2.26% over 40 years.

The Groesbeck Housing Authority applied for and was given a $500K grant from the Federal Home Loan Bank of Dallas. The GHA through their non profit (Liberty Housing Alliance) will in turn loan this money to the partnership at 2.26% over 40 years. The GHA (Liberty Housing Alliance) is also contributing $418,173 in housing authority funds via a loan at 2.26% over 40 years. Both loans will be cash flow loans.

In addition, the development qualified for State of Texas Historic Tax Credits and determined that all 80 units are eligible for historic status. Foss and Company have agreed to purchase the state historic credits at $0.86 pricing which results in a total equity of $1,219,480.

Due to the six (6) units losing their LIHTC restrictions, the applicable fraction has decreased from 100% to 91.45%. The decrease in applicable fraction is offset by the increases in the hard costs, therefore there is minimal effect on the credit allocation.

Conclusion

As underwritten, there is a slight cut to the credit allocation of $578. Based on the size of the cut, the Underwriter recommends no change to the current tax credit allocation of $647,667 until Cost Certification.

Underwriter:	*Duc Nguyen*
Manager of Real Estate Analysis:	*Thomas Cavanagh*
Director of Real Estate Analysis:	*Brent Stewart*

UNIT MIX/RENT SCHEDULE

Liberty Square & Liberty Village, Groesbeck, 9% HTC #15119

LOCATION DATA	
CITY:	Groesbeck
COUNTY:	Limestone
PROGRAM REGION:	8
PIS Date:	On or After 2/1/2014
IREM REGION:	NA

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	22	27.5%
1	34	42.5%
2	14	17.5%
3	10	12.5%
4	-	0.0%
TOTAL	**80**	**100.0%**

Income	# Units	% Total
30%	20	25.0%
40%	-	0.0%
50%	46	57.5%
60%	8	10.0%
MR	6	7.5%
TOTAL	**80**	**100.0%**

Applicable Programs
9% Housing Tax Credits

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	91%
APP % Acquisition	3.35%
APP % Construction	7.87%
Average Unit Size	659 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		Other		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 60%	$624	RAD	$425	1	1	1	605	$464	$39	$425	$0	$0.70	$425	**$425**	**$425**	$425	$0.70	$0	$550	$0.91	550
TC 60%	$624	RAD	$425	1	1	1	626	$464	$39	$425	$0	$0.68	$425	**$425**	**$425**	$425	$0.68	$0	$550	$0.88	550
TC 50%	$520	RAD	$425	13	1	1	632	$464	$39	$425	$0	$0.67	$425	**$5,525**	**$5,525**	$425	$0.67	$0	$550	$0.87	550
TC 30%	$375	RAD	$544	2	2	1	803	$591	$47	$544	$0	$0.68	$544	**$1,088**	**$1,088**	$544	$0.68	$0	$775	$0.97	775
TC 60%	$750	RAD	$544	2	2	1	803	$591	$47	$544	$0	$0.68	$544	**$1,088**	**$1,088**	$544	$0.68	$0	$775	$0.97	775
TC 30%	$375	RAD	$544	2	2	1	810	$591	$47	$544	$0	$0.67	$544	**$1,088**	**$1,088**	$544	$0.67	$0	$775	$0.96	775
TC 30%	$433	RAD	$758	1	3	1	997	$814	$56	$758	$0	$0.76	$758	**$758**	**$758**	$758	$0.76	$0	$850	$0.85	850
TC 30%	$291	RAD	$377	5	0	1	431	$408	$31	$377	$0	$0.87	$377	**$1,885**	**$1,885**	$377	$0.87	$0	$400	$0.93	400
TC 50%	$486	RAD	$377	1	0	1	478	$408	$31	$377	$0	$0.79	$377	**$377**	**$377**	$377	$0.79	$0	$400	$0.84	400
TC 50%	$486	RAD	$377	13	0	1	478	$408	$31	$377	$0	$0.79	$377	**$4,901**	**$4,901**	$377	$0.79	$0	$400	$0.84	400
TC 60%	$583	RAD	$377	3	0	1	478	$408	$31	$377	$0	$0.79	$377	**$1,131**	**$1,131**	$377	$0.79	$0	$400	$0.84	400
TC 50%	$520	RAD	$425	1	1	1	605	$464	$39	$425	$0	$0.70	$425	**$425**	**$425**	$425	$0.70	$0	$550	$0.91	550
TC 30%	$312	RAD	$425	8	1	1	605	$464	$39	$425	$0	$0.70	$425	**$3,400**	**$3,400**	$425	$0.70	$0	$550	$0.91	550
TC 50%	$520	RAD	$425	5	1	1	626	$464	$39	$425	$0	$0.68	$425	**$2,125**	**$2,125**	$425	$0.68	$0	$550	$0.88	550
TC 50%	$520	RAD	$425	1	1	1	632	$464	$39	$425	$0	$0.67	$425	**$425**	**$425**	$425	$0.67	$0	$550	$0.87	550
TC 60%	$624	RAD	$425	1	1	1	632	$464	$39	$425	$0	$0.67	$425	**$425**	**$425**	$425	$0.67	$0	$775	$1.23	775
TC 50%	$625	RAD	$544	1	2	1	803	$591	$47	$544	$0	$0.68	$544	**$544**	**$544**	$544	$0.68	$0	$775	$0.97	775
TC 50%	$625	RAD	$544	5	2	1	810	$591	$47	$544	$0	$0.67	$544	**$2,720**	**$2,720**	$544	$0.67	$0	$775	$0.96	775
TC 30%	$433	RAD	$758	1	3	1	997	$814	$56	$758	$0	$0.76	$758	**$758**	**$758**	$758	$0.76	$0	$850	$0.85	850
TC 50%	$721	RAD	$758	6	3	1	998	$814	$56	$758	$0	$0.76	$758	**$4,548**	**$4,548**	$758	$0.76	$0	$850	$0.85	850
TC 30%	$433	RAD	$758	1	3	1	998	$814	$56	$758	$0	$0.76	$758	**$758**	**$758**	$758	$0.76	$0	$850	$0.85	850
MR		RAD	$425	3	1	1	632	$425	$39		NA	$0.67	$425	**$1,275**	**$1,275**	$425	$0.67	NA	$425	$0.67	550
MR		RAD	$544	1	2	1	803	$544	$47		NA	$0.68	$544	**$544**	**$544**	$544	$0.68	NA	$544	$0.68	775
MR		RAD	$544	1	2	1	810	$544	$47		NA	$0.67	$544	**$544**	**$544**	$544	$0.67	NA	$544	$0.67	775
MR		RAD	$758	1	3	1	998	$758	$56		NA	$0.76	$758	**$758**	**$758**	$758	$0.76	NA	$758	$0.76	850
TOTALS/AVERAGES:				**80**			**52,739**				**$0**	**$0.72**	**$474**	**$37,940**	**$37,940**	**$474**	**$0.72**	**$0**	**$577**	**$0.87**	**$588**

ANNUAL POTENTIAL GROSS RENT:		
	$455,280	**$455,280**

STABILIZED PRO FORMA

Liberty Square & Liberty Village, Groesbeck, 9% HTC #15119

	STABILIZED FIRST YEAR PRO FORMA																	
	COMPARABLES				APPLICANT				09/26/16 Amendment	Original Analysis		09/26/16 Amendment	TDHCA				VARIANCE	
	Database		Previous Year Actual		% EGI	Per SF	Per Unit	Amount	Applicant	Applicant	TDHCA	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.72	$474	$455,280	$434,616	**$362,184**	**$362,184**	**$434,616**	$455,280	$474	$0.72		0.0%	$0
App fee, lost key fee, lock out fee pet fee							$3.75	$3,600	$960	960	960	960	$3,600	$3.75				
Total Secondary Income							$27.75				42,068		$19,200	$20.00			38.8%	$7,440
POTENTIAL GROSS INCOME								$481,920	$435,576	$389,664	$404,252	$435,576	$474,480				1.6%	$7,440
Vacancy & Collection Loss							5.0% PGI	(24,096)	(21,779)	(19,483)	(20,213)	(21,779)	(23,724)	5.0% PGI			1.6%	(372)
Rental Concessions								-		0							0.0%	-
EFFECTIVE GROSS INCOME								$457,824	$413,797	$370,181	$384,040	$413,797	$450,756				1.6%	$7,068
General & Administrative	$26,895	$336/Unit	$32,457	$406	9.34%	$0.81	$535	$42,762	$12,600	$12,600	$12,600	$12,600	$32,457	$406	$0.62	7.20%	31.8%	10,305
Management	$25,767	5.6% EGI	$2,432	$30	4.29%	$0.37	$246	$19,643	$18,509	$18,509	$19,202	$20,690	$22,538	$282	$0.43	5.00%	-12.8%	(2,895)
Payroll & Payroll Tax	$74,213	$928/Unit	$116,041	$1,451	27.14%	$2.36	$1,553	$124,270	$103,030	$103,030	$103,030	$103,030	$126,116	$1,576	$2.39	27.98%	-1.5%	(1,846)
Repairs & Maintenance	$49,535	$619/Unit	$58,959	$737	6.97%	$0.60	$399	$31,900	$29,500	$29,500	$44,000	$29,500	$52,000	$650	$0.99	11.54%	-38.7%	(20,100)
Electric/Gas	$14,541	$182/Unit	$38,370	$480	2.13%	$0.18	$122	$9,756	$2,400	$2,400	$2,400	$2,400	$9,678	$121	$0.18	2.15%	0.8%	78
Water, Sewer, & Trash	$38,133	$477/Unit	$40,539	$507	13.73%	$1.19	$786	$62,876	$10,500	$10,500	$10,176	$10,176	$40,539	$507	$0.77	8.99%	55.1%	22,337
Property Insurance	$17,969	$0.34 /sf	$7,350	$92	6.12%	$0.53	$350	$28,000	$18,080	$18,080	$18,080	$18,080	$24,945	$312	$0.47	5.53%	12.2%	3,055
Property Tax 2.5834	$34,578	$432/Unit	$14,761	$185	0.00%	$0.00	$0	$0	$1,811	$1,811	$1,811	$1,811	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements	$19,493	$244/Unit	$0	$0	6.15%	$0.53	$352	$28,160	$24,000	$24,000	$24,000	$24,000	$28,160	$352	$0.53	6.25%	0.0%	-
Internet Service	$0	$/Unit	$23,612	$295	0.00%	$0.00	$0	$0	$12,090	$12,090	$12,090	$12,090	$0	$0	$0.00	0.00%	0.0%	-
Supportive Services	$0	$/Unit	$0	$0	0.24%	$0.02	$14	$1,112	$4,280	$4,280	$4,280	$4,280	$1,112	$14	$0.02	0.25%	0.0%	-
TDHCA Compliance fees	$0	$/Unit	-	$0	0.70%	$0.06	$40	$3,200	$3,200	$3,200	$3,200	$3,200	$2,960	$37	$0.06	0.66%	8.1%	240
TOTAL EXPENSES			**$334,521**		**76.82%**	**$6.67**	**$4,396**	**$ 351,679**	**$ 242,181**	**$240,000**	**$253,669**	**$241,857**	**$340,505**	**$4,256**	**$6.46**	**75.54%**	**3.3%**	**$ 11,174**
NET OPERATING INCOME ("NOI")					**23.18%**	**$2.01**	**$1,327**	**$106,145**	**$171,616**	**$130,181**	**$130,371**	**$171,940**	**$110,251**	**$1,378**	**$2.09**	**24.46%**	**-3.7%**	**$ (4,106)**

CONTROLLABLE EXPENSES		$3,395/Unit		$3,260/Unit

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Liberty Square & Liberty Village, Groesbeck, 9% HTC #15119

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE								Prior Underwriting			AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR																Cumulative	
DEBT (Must Pay)	MIP	UW	App	Pmt	Rate	Amort	Term	Principal	09/27/16 Amendment	Applicant	TDHCA	09/27/16 Amendment	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Home Federal Bank		3.70	3.57	29,773.00	6.32%	30	17	$400,000	$1,775,000	$1,359,000	$1,359,000	$1,775,000	$400,000	17	30	6.32%	$29,773	3.57	3.9%
Groesbeck Housing Authority		1.12	1.08	68,735.00	2.26%	30	40	$1,210,520	$400,000			$400,000	$1,210,520	40	30	2.26%	$55,600	1.24	11.7%
CASH FLOW DEBT / GRANTS																			
Liberty Housing Alliance (CFP)		1.12	1.08		2.26%	0	40	$418,173		$1,550,000	$1,550,000		$418,173	40	0	2.26%		1.24	4.1%
Liberty Housing Alliance (AHP)		1.12	1.08		2.26%	0	40	$500,000	$52,000	$52,000	$52,000	$52,000	$500,000	40	0	2.26%		1.24	4.8%
				$98,508	**TOTAL DEBT / GRANT SOURCES**			**$2,528,693**		$2,961,000	$2,961,000		**$2,528,693**		**TOTAL DEBT SERVICE**		**$85,373**	1.24	24.5%
NET CASH FLOW		$11,743	$7,637												**NET OPERATING INCOME**	**$106,145**	**$20,772**	**NET CASH FLOW**	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE						Prior Underwriting			AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	09/27/16 Amendment	Applicant	TDHCA	09/27/16 Amendment	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	
R4 Capital, LLC	LIHTC Equity	63.7%	$647,667	1.02	$6,574,000	$6,476,022	$5,876,972	$5,763,659	$6,476,022	$6,568,138	$1.0150	$647,089	63.7%	$8,089	
Foss Texas Fund	State Historic Credits	11.8%	$141,800	0.86	$1,219,480		$0			$1,219,480	$0.8600	$141,800	11.8%		
Housing Solutions Alliance, LLC	Deferred Developer Fees	1.1%	(11% Deferred)		$115,869	$22,076	$7,636		$21,637		(0% Deferred)		0.0%	**Total Developer Fee:**	**$968,918**
Add'l Funds Needed / (Excess) Funds		-1.2%			($127,083)	($510)	-$120,000	$0	$0	$0			0.0%		
TOTAL EQUITY SOURCES		75.4%			$7,782,267		$5,764,608	$5,763,659		$7,787,618			75.5%	**15-Year Cash Flow:**	**$955,538**
TOTAL CAPITALIZATION					**$10,310,960**	$8,725,608	$8,725,608	$8,724,659		**$10,316,311**			**15-Yr Cash Flow after Deferred Fee:**		**$955,538**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS						Prior Underwriting			TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis												Eligible Basis			
	Acquisition	New Const. Rehab			Total Costs	09/27/16 Amendment	Applicant	TDHCA	09/27/16 Amendment	Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$625 / Unit	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$625 / Unit				0.0%	$0
Building Acquisition	$800,000			$29,750 / Unit	$2,380,000	$2,330,000	$2,330,000	$2,330,000	$2,330,000	$2,380,000	$29,750 / Unit			$800,000	0.0%	$0
Off-Sites				$ / Unit	$0	$0	$0	$0	$0	$0	$ / Unit				0.0%	$0
Site Work		$326,980		$4,087 / Unit	$326,980	$297,034	$297,034	$296,865	$296,865	$293,842	$3,673 / Unit		$293,842		11.3%	$33,138
Site Amenities		$78,200		$978 / Unit	$78,200	$398,779	$398,779	$447,032	$447,032	$107,460	$1,343 / Unit		$107,460		-27.2%	($29,260)
Building Cost		$4,146,604	$78.63 /sf	$51,833/Unit	$4,146,604	$3,058,573	$3,058,573	$3,009,664	$3,009,664	$4,137,700	$51,721/Unit	$78.46 /sf	$4,137,700		0.2%	$8,904
Contingency		$44,000	0.97%	0.97%	$44,000	$187,719	$187,719	$187,719	$187,719	$44,000	0.97%	0.97%	$44,000		0.0%	$0
Contractor Fees		$634,391	13.80%	13.80%	$634,391	$525,614	$525,614	$525,614	$525,614	$654,442	13.84%	13.84%	$634,391		-3.1%	($20,051)
Soft Costs	0	$850,125		$11,236 / Unit	$898,917	$562,240	$562,240	$562,240	$562,240	$898,917	$11,236 / Unit		$850,125	$0	0.0%	$0
Financing	0	$379,150		$5,661 / Unit	$452,904	$348,251	$348,251	$348,251	$348,251	$452,904	$5,661 / Unit		$379,150	$0	0.0%	$0
Developer Fee	$0	$1,096,000	16.97%	16.97%	$1,096,000	$912,248	$912,248	$792,124	$792,124	$967,000	15.00%	15.00%	$967,000	$0	13.3%	$129,000
Reserves				$4,126 / Unit	$330,046	$175,150	$175,150	$175,150	$175,150	$330,046	$4,126 / Unit				0.0%	$0
UNADJUSTED BASIS / COST	**$800,000**	**$7,555,450**		$130,476 / Unit	**$10,438,042**	$8,845,608	$8,845,608	$8,724,659	$8,724,659	**$10,316,311**	$128,954 / Unit		**$7,413,668**	**$800,000**	**1.2%**	**$121,731**
Acquisition Cost	$0				0											
Contingency		$0														
Contractor's Fee		$0														
Interim Interest		$0														
Developer Fee	$0	($127,083)			($127,083)											
Reserves					$0											
ADJUSTED BASIS / COST	**$800,000**	**$7,428,368**		$128,887/unit	**$10,310,960**					**$10,316,311**	$128,954/unit		**$7,413,668**	**$800,000**	**-0.1%**	**($5,352)**
TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA							**$10,316,311**									

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Liberty Square & Liberty Village, Groesbeck, 9% HTC #15119

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	$800,000	$7,428,368	$800,000	$7,413,668
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$800,000	$7,428,368	$800,000	$7,413,668
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$800,000	$9,656,878	$800,000	$9,637,769
Applicable Fraction	91.45%	91.45%	91.45%	91.45%
TOTAL QUALIFIED BASIS	$731,633	$8,831,615	$731,633	$8,814,139
Applicable Percentage	3.35%	7.87%	3.35%	7.87%
ANNUAL CREDIT ON BASIS	$24,510	$695,048	$24,510	$693,673
CREDITS ON QUALIFIED BASIS	$719,558		$718,182	

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $1.0150	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$718,182	$7,289,751	----	----	----
Gap	$647,089	$6,568,138	**$647,089**	($578)	($5,862)
Previous Allocation	$647,667	$6,574,000	----	----	----

30-Year Long-Term Pro Forma

Liberty Square & Liberty Village, Groesbeck, 9% HTC #15119

	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%	$457,824	$466,980	$476,320	$485,846	$495,563	$547,142	$604,089	$666,963	$736,381	$813,024
TOTAL EXPENSES	3.00%	$351,679	$362,033	$372,694	$383,670	$394,972	$456,707	$528,153	$610,843	$706,555	$817,348
NET OPERATING INCOME ("NOI")		**$106,145**	**$104,948**	**$103,627**	**$102,176**	**$100,592**	**$90,435**	**$75,936**	**$56,120**	**$29,826**	**($4,323)**
MUST -PAY DEBT SERVICE											
TOTAL DEBT SERVICE		$29,773	$29,773	$29,773	$29,773	$29,773	$29,773	$29,773	$29,773	$29,773	$29,773
ANNUAL CASH FLOW		**$76,372**	**$75,174**	**$73,853**	**$72,403**	**$70,818**	**$60,662**	**$46,163**	**$26,347**	**$53**	**($34,096)**
CUMULATIVE NET CASH FLOW		$76,372	$151,546	$225,399	$297,802	$368,621	$693,806	$955,538	$1,129,248	$1,184,948	$1,086,212
DEBT COVERAGE RATIO		3.57	3.52	3.48	3.43	3.38	3.04	2.55	1.88	1.00	-0.15
EXPENSE/INCOME RATIO		76.8%	77.5%	78.2%	79.0%	79.7%	83.5%	87.4%	91.6%	95.9%	100.5%
Deferred Developer Fee Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Residual Cash Flow		$76,372	$75,174	$73,853	$72,403	$70,818	$60,662	$46,163	$26,347	$53	($34,096)

Asset Management Division

Amendment Request Form

Completed forms and supporting materials can be emailed to asset.management@tdhca.state.tx.us

TYPE OF AMENDMENT REQUESTED

Date Submitted: 10/30/2017 Amendment Requested: *Application Amendment,*

Has the change been implemented? *No* Award Stage: *Under Construction or at 10% Test*

NOTE: *Material Application or LURA Amendment requests must be received* ***45 days before the Board Meeting.***

Contact your Asset Manager if you are unsure what type of Amendment to request: https://www.tdhca.state.tx.us/asset-management/contacts.htm

DEVELOPMENT INFORMATION

Dev. Name: Liberty Square & Liberty Village File No. / CMTS No.: 2015 /15119

CONTACT INFORMATION

Request Submitted By: Arthur J. Schuldt, Jr. Phone #/Email: (318) 213-6502 /

SECTION 1: COVER LETTER

A cover letter ***MUST*** be submitted with your request. Review your cover letter to ensure it includes:

☒ The change(s) requested ☒ The reason the change is necessary ☒ The good cause for the change

☒ An explanation of whether the amendment was reasonably foreseeable or preventable at the time of Application

SECTION 2: REQUIRED DOCUMENTATION

Entering an Amendment conveys to the Department that representations in the Application have changed. You ***MUST*** provide information about any and all changes made from the time of Application (or as last approved by the Department) in your request, including any items that will be impacted by the requested change. Failure to represent or properly document all changes may result in delays, denials, or a request for re-submission. The following is attached:

☐ Revised Development Financing Exhibits – if sources, terms, conditions, or amounts of financing will be impacted or changed by your amendment request, revised Application exhibits and term sheets (or executed Loan documents and LPA, if the loan has closed) must be submitted

☒ Signed Statement of No Financial Impact – if no sources, terms, conditions, or amount of financing will be impacted or changed by your amendment request, the Owner must sign and submit a statement to this effect

☒ Revised Application Exhibits/Documents Reflecting or Supporting All Requested Changes – revised site plans, surveys, Building and Unit Configuration exhibit, etc.

☒ Material Amendment fee of $2,500 for first amendments, $3,000 for second amendments, $3,500 for third or more. (Applicable to Non-Material Amendments only if changes have been implemented prior to Amendment approval) – *N/A for Developments only funded by a Direct Loan program (HOME, NSP, HTF)*

SECTION 3A: MATERIAL APPLICATION AMENDMENT ITEMS

Check all items that have been modified from the original application (see ***Subchapter E, §10.405(a)(3)***):

☐ Site plan ☐ Scope of tenant services ☐ Exclusion of reqs in Subchapters B & C

☒ Number of units* ☐ Reduction of 3%+ in unit sq ft ☐ Other

☐ Bedroom mix ☐ Reduction of 3%+ common area

☐ Architectural design ☐ Residential density (5%+ change)

If "Number of units" is selected above and the total LI units or LI units at any rent or income level will be reduced, also:

☒ Written confirmation from the lender *and* syndicator that the development is infeasible without the adjustment in units

☒ Evidence supporting the need for the adjustment in units

NOTE: **The approved amendment may carry a penalty in accordance with **§10.405(a)(6)(b).***

SECTION 3B: MATERIAL LURA AMENDMENT ITEMS

Check all items that require a material LURA amendment (see Subchapter E, ***§10.405(b)(2)***):

☐ Reductions in the number of LI units ☐ Change in Target Population

☐ Changes to income or rent restrictions ☐ Removal of Non-profit ☐ Other

☐ Change in ROFR period or other ROFR provisions

The following additional items are attached for consideration or will be forthcoming:

☐ Draft Notice of Public Hearing* ☐ Evidence of public hearing*

NOTE: **Draft Notices of Public Hearing must be provided with the Amendment materials 45 days prior to the Board meeting. *The Public Hearing must be held at least 15 business days prior to the Board meeting and evidence in the form of attendance sheets and a summary of comments made must be submitted to TDHCA within 3 days of the hearing.*

SECTION 4A: NON-MATERIAL APPLICATION AMENDMENT SUMMARY

Identify all non-material changes that have been or will be made (Contact your Asset Manager if you are unsure of whether your request is non-material):

Short Summary Regarding Application Changes

☐ Amendment is requesting a change in Developer(s) or Guarantor(s) and Previous Participation forms are attached.

SECTION 4B: NON-MATERIAL LURA AMENDMENT SUMMARY

Identify non-material amendments requested to the LURA:

Short Summary Regarding LURA Changes

SECTION 4C: NOTIFICATION ITEM SUMMARY

Identify any notification items from the time of application:

Short Summary Regarding LURA Changes

HSA
HOUSING SOLUTIONS ALLIANCE
LLC

1935 Airline Drive, Suite 200
Bossier City, Louisiana 71112
www.callhsa.com

(318) 226-1411 (Office)
(318) 213-1090 (Fax)

October 30, 2017

Lee Ann Chance, Asset Manager
Asset Management Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: #15119 – Liberty Square & Liberty Village, Groesbeck, Limestone County, Texas; Second Application Amendment Request.

Dear Lee Ann:

On behalf of Liberty Square & Liberty Village (collectively, the "Development"), we file this petition for an Application Amendment and further request to be placed on the Board's Agenda for December 2017. The Development received an award of 9% Housing Tax Credits from the 2015 Round, and we recommend the following amendments:

I. Adjust the income restrictions and applicable fraction to allow for six (6) market rate units in order to house tenants with incomes that exceed 60% AMGI who are entitled to return to the Development pursuant to the Rental Assistance Demonstration (RAD) Program.

II. Revise the income restrictions to qualify for the points elected for Income Levels of Tenant and Rent Levels of Tenants, but not to exceed these requirements, in order to maximize the Development's ability to accommodate returning tenants with higher income levels who are entitled to return to the Development pursuant to the RAD Program.

Background.

Liberty Square and Liberty Village comprise an eighty-unit development in Groesbeck, Texas. The Development approved during the 2015 9% Housing Tax Credit cycle under the At-Risk set-aside to acquire and rehabilitate all eighty units.

The Development's application was awarded 16 points for committing 20% of the total units to be set-aside at 50% or less AMGI, pursuant to Section 11.9(c)(1)(B) of the 2015 Qualified Allocation Plan (QAP). The application was also awarded 11 points for committing 7.5% of the total units to be set aside at 30% or less AMGI, pursuant to Section 11.9(c)(2)(B) of the 2015. However, to qualify for the 16 points under Section 11.9(c)(1(B), the Development need only provide a minimum of "20 percent of all low-income Units at 50 percent or less of AMGI," which, in this case would total sixteen units. Similarly, to receive the 11 points under §11.9(c)(2)(B), the Development need only provide a minimum of "7.5 percent of all low-income Units at 30 percent or less of AMGI," which would be six units in this instance. Stated differently, the Development committed to provide more units at restrictive income units than was required by the QAP.

Contemporaneous with its rehabilitation using tax credits, the Development has undergone a conversion from public housing subsidy to the Rental Assistance Demonstration Program.

On August 26, 2016, Coats Rose, on behalf of the Development, submitted a request for four amendments to the Development's application to the Texas Department of Housing and Community Affairs' Asset Management Division:

1. Revise the RAD component from 75% to 100% of the units.
2. Revise the organizational structure to make the Groesbeck Housing Authority's affiliate the managing member of the General Partner, so that the Development will qualify for a governmental ad valorem tax exemption.
3. Revise the approximate references to acreage in the Application to match the surveyed acreage shown in the deed provided in the 10% Test submission, per your request.
4. Revise the income restrictions to qualify for the points elected for Income Levels of Tenant and Rent Levels of Tenants, but not to exceed these requirements, in order to maximize the Development's ability to accommodate returning tenants with higher income levels who are entitled to return to the Development pursuant to the RAD Program.

After Due Consideration, on October 13, 2016, the Asset Management Division's Board granted the requests to amend the Application to allow Liberty Square and Liberty Village to be fully-financed by the RAD program, to revise the organizational structure, and to revise the reference to acreage in the application.

The Board, however, chose to table the Development's request to reduce the income and rent restrictions. The Development therefore renews its request to revise the income restriction to qualify for the points awarded to the Development in its Application pursuant to Sections 11.9(c)(1)(B) and 11.9(c)(2)(B) of the 2015 QAP for the purpose of accommodating returning tenants with higher income levels who are entitled to return to the Development pursuant to the RAD program.

The Development also seeks to adjust the income limits and applicable fraction to allow for six (6) market rate units in order to house tenants who have a right to return to the Property under the RAD program.

I. <u>Request to adjust the income restrictions and applicable fraction to allow for six (6) market rate units in order to house tenants with incomes that exceed 60% AMGI who are entitled to return to the Development pursuant to the Rental Assistance Demonstration (RAD) Program.</u>

There are a couple of factors which coalesce which necessitate the inclusion of six (6) market rate units at the property and which therefore necessitate a revision to the Development's income limits and applicable fraction: (1) income and rent limits in Limestone County have unexpectedly and substantially decreased and (2) public housing residents, regardless of income, have the right to return to the property after its RAD conversion.

(1) Income and rent limits in Limestone County have unexpectedly and substantially decreased.

To begin, income limits for Limestone County have substantially decreased since the time that the Development prepared and submitted its application, a result which is both unusual and unexpected. Attached hereto are the income limits for Limestone County which span the years relevant to the Application and this amendment request: 2014, when the Development was evaluating its eligibility for submitting an application, 2015, when the application was submitted to TDHCA, 2016, and 2017, the current year.

INCOME LIMITS **2014 Area Median Income:** $55,500

AMFI	Number of Household Members							
%	1	2	3	4	5	6	7	8
30	$11,670	$13,320	$15,000	$16,650	$18,000	$19,320	$20,670	$21,990
40	$15,560	$17,760	$20,000	$22,200	$24,000	$25,760	$27,560	$29,320
50	$19,450	$22,200	$25,000	$27,750	$30,000	$32,200	$34,450	$36,650
60	$23,340	$26,640	$30,000	$33,300	$36,000	$38,640	$41,340	$43,980
80	$31,120	$35,520	$40,000	$44,400	$48,000	$51,520	$55,120	$58,640
120	$-	$-	$-	$-	$-	$-	$-	$-

INCOME LIMITS **2015 Area Median Income:** $56,500

AMFI	Number of Household Members							
%	1	2	3	4	5	6	7	8

30	$11,880	$13,560	$15,270	$16,950	$18,330	$19,680	$21,030	$22,380
40	$15,840	$18,080	$20,360	$22,600	$24,440	$26,240	$28,040	$29,840
50	$19,800	$22,600	$25,450	$28,250	$30,550	$32,800	$35,050	$37,300
60	$23,760	$27,120	$30,540	$33,900	$36,660	$39,360	$42,060	$44,760
80	$31,680	$36,160	$40,720	$45,200	$48,880	$52,480	$56,080	$59,680
120	$-	$-	$-	$-	$-	$-	$-	$-

INCOME LIMITS **2016 Area Median Income:** $50,400

AMFI	Number of Household Members							
%	1	2	3	4	5	6	7	8
30	$11,280	$12,900	$14,520	$16,110	$17,400	$18,690	$19,980	$21,270
40	$15,040	$17,200	$19,360	$21,480	$23,200	$24,920	$26,640	$28,360
50	$18,800	$21,500	$24,200	$26,850	$29,000	$31,150	$33,300	$35,450
60	$22,560	$25,800	$29,040	$32,220	$34,800	$37,380	$39,960	$42,540
80	$30,080	$34,400	$38,720	$42,960	$46,400	$49,840	$53,280	$56,720
120	$-	$-	$-	$-	$-	$-	$-	$-

INCOME LIMITS **2017 Area Median Income:** $52,100

AMFI	Number of Household Members							
%	1	2	3	4	5	6	7	8
30	$11,580	$13,260	$14,910	$16,560	$17,880	$19,200	$20,550	$21,870
40	$15,440	$17,680	$19,880	$22,080	$23,840	$25,600	$27,400	$29,160
50	$19,300	$22,100	$24,850	$27,600	$29,800	$32,000	$34,250	$36,450
60	$23,160	$26,520	$29,820	$33,120	$35,760	$38,400	$41,100	$43,740
80	$30,880	$35,360	$39,760	$44,160	$47,680	$51,200	$54,800	$58,320
120	$-	$-	$-	$-	$-	$-	$-	$-

The issue is apparent on the face of the income limits. The median income in 2014, when the Development began considering submission of the application was $55,500. In 2015, the year that the Application was submitted, the average median income was $56,500. The average median income increased 1.8%.

Then, in 2016, the year after the Development submitted the Application, the average median income fell to $50,400. This was a decrease of 10.8% of average median income in a single year.

In 2017, the average median income has increased slightly to $52,100. But, this still represents a 7.1% decrease from the date that the Application was submitted.

As a result of the dropping Area Median Income, the income restrictions that were acceptable when the Application was filed would now prohibit some of the returning tenants under RAD from being considered qualified tenants, and would result in noncompliance issues.

(2) Public Housing residents, regardless of income, have the right to return to the property after its RAD conversion

Further, to understand why the Development must add six (6) market rate units and further adjust the applicable fraction and income/rent restrictions in the Development's 2015 Application, one must understand the current rules of public housing and their impact when combined with the decreased income limits in Limestone County.

To qualify for public housing, a tenant must have an income level of 80% AMGI or less. Further, once a tenant qualifies and becomes a resident of public housing, he or she qualifies for public housing until the point that he or she reaches 140% AMGI. Thus, to qualify for public housing, one may have a higher income than one needs to qualify for a unit funded by tax credits. Moreover, once a tenant is qualified, his or her income remains in flux.

It is therefore evident that from the point in time at which the Development prepared and submitted its tax credit application three years ago that the incomes of the Development's residents have changed.

Furthermore, the Development has converted from public housing to RAD. The Development currently is subsidized with RAD PBV vouchers, which have an income limit of 50% AMGI. Thus, any newly-admitted tenants would have a maximum income of 50% AMGI, which corresponds to the selection made in the Development's 2015 Application.

But, RAD has a rule which requires that public housing tenants have the right to return to the Development. Consequently, HUD requires that the Development allow tenants return to the property, regardless of whether they comply with the income limits for TDHCA or RAD. **Currently, the development has six units that are above 60% AMGI, and the tenants of these units have the unequivocal right to return under RAD.** Thus, even if the income limits for these units were to be increased to 60% AMGI, the units would remain ineligible for the tax credit program. Significantly, as these tenants vacate the units, the units will be subject to RAD income limits, which are set at 50% AMGI.

Here is an overview of the suggested change in unit distribution:

Income-Restricted Units in Application	80
Income-Restricted Units per Amendment	74
Market Rate Units in Application	0
Market Rate Units per Amendment Request	6

For more details concerning the distribution of the proposed market rate units, please refer to the attached revised Tab 24 – Rent Schedule.

The Development knew about the right of return under RAD when it applied for tax credits. But, what could not be predicted was the substantial change in tenant incomes. Tenants that were below 50% AMGI when the Development applied for credits are now considered to have incomes greater than 50% AMGI but less than 60% AMGI. Further, units that were below 60% AMGI at the time of application are now considered to be completely ineligible for the tax credit program. What is unique about this situation is that the incomes themselves did not have to change to trigger this shift. Instead, this was done with static tenant incomes.

For this reason, the Development needs to amend the original Application to include six market rate units for the purpose of allowing the Development to remain in compliance with both the RAD program, which provides the tenants the right to return to the property, and the tax credit program, which has strict income restrictions and for which the residents of these units currently do not qualify.

II. Request to revise the income restrictions to qualify for the points elected for Income Levels of Tenant and Rent Levels of Tenants, but not to exceed these requirements, in order to maximize the Development's ability to accommodate returning tenants with higher income levels who are entitled to return to the Development pursuant to the Rental Assistance Demonstration (RAD) Program.

In addition to the request for six market rate units which is outlined above, the Development also submits an amendment request to adjust the set-asides to more closely reflect those required for scoring. Significantly, this request does not alter scoring nor does it impact the affordability of Liberty Square and Liberty Village.

Point elections made in the Application under §11.9(c)(1) *Income Levels of Tenants of the 2015 QAP* require that the Development have 16 units at 50% AMGI (16 points) and point elections under §11.9(c)(2) *Rent Levels of Tenants* require that the Development have 6 units at 30% AMGI (11 points). TDHCA does not give any benefit, in scoring or otherwise, to a development restricting income limits beyond that for which it received points. Here is an overview of the impact of the requested amendment on the unit set-asides:

Liberty Square and Liberty Village – Set-Asides

	Minimum # of Units needed for points under §11.9(c)(1) and §11.9(c)(2)	# Units Committed at Application	# Units Requested at Amendment	Change
30% of AMI	6	20	6	-14
50% of AMI	16	60	59	-1
60% of AMI		0	9	+9
Market Rate			6	+6
Total Units		80	80	

In this situation, the Development is requesting an amendment, not to accommodate and attract potential new residents. In fact, the RAD PBV vouchers have an income limit of 50% AMGI. Thus, any new residents will be subject to RAD's 50% AMGI requirements. Instead, the Development is requesting this amendment so that it can accommodate the residents that are already in place whose income qualification has shifted as a result of the decrease in income limits for Limestone County. To receive the 16 points under §11.9(c)(2) of the 2015 QAP, the Development must only set aside 16 units at or below 50% AMGI. The Application committed 60 units at or below 50% AMGI, significantly more than what was needed to receive the points under the QAP. The Application, however, provided no units at or below 60% AMGI. Now, the Development has nine (9) households whose income lies between 50% AMGI and 60% AMGI. In this case, allowing for the adjustment will enable households which have the right to return under RAD to remain in their current units. As mentioned previously, the Development was negatively impacted because AMGI for Limestone County, where the Development is located, decreased significantly from the time it submitted its Application to the present, rendering some households that qualified at 50% AMGI at the time of Application to currently qualify at 60% AMGI.

Further, the Development requests that the number of units committed at 30% AMGI be reduced from twenty (20) to six (6). According to the QAP, the Development must only commit 6 units to households at or below 30% AMGI to receive the points provided under §11.9(c)(2) *Rent Levels of Tenants*. Thus, for the sake of flexibility and sustainability, the Development requests that the income restrictions at 30% AMGI be reduced from that which was committed in the Application to that which is required to obtain the points.

Section 10.405(a)(6) of the 2106 Uniform Multifamily Rules has a specific process for amendments to the Application's income and rent restrictions. Evidence of infeasibility without the change is required and there is a twenty-four-month suspension from the Housing Tax Credit Program if the loss of low-income targeting points would have resulted in the application not receiving an award in the year of allocation. This situation is different, however:

- ❖ There is no effect upon scoring of the Application - restrictions necessary to preserve all low-income targeting points would be maintained;
- ❖ All units which are tax-credit-eligible would remain restricted at 60% AMGI or below; and
- ❖ The change requested to the restrictions would not affect the rental income of the Development due to federal rent subsidies.

Amending the Application to only require the deeper limitations that were elected in the scoring process will provide the flexibility needed to permit all tenants who wish to return to the Development to do so within the income restrictions that would be imposed by the LURA. For that reason, we request that the TDHCA Board waive the infeasibility and approve the requested revision to the income and rent levels. By granting such waiver, the TDHCA Board will fulfill its purpose under Section 2306.001(3) of the Texas Government Code to contribute to the preservation 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.

Request for Approval of Material Application Amendment, Including Waiver.
We respectfully request that the TDHCA grant a material amendment to the 2015 9% Housing Tax Credit Application for the Development, waiving the requirement to show that the Development is infeasible under Requests for Amendment I and II above, and approve the request above to be implemented.

In connection with your review of this request, enclosed is the following form from the application, revised in pertinent part: (i) Tab 24 – Rent Schedule. If any other portions of the application require revision, or if you need any additional information to consider this request, please do not hesitate to call. A check in the amount of $3,000.00 for the Amendment Fee is enclosed.

Very truly yours,

Arthur J. Schuldt, Jr.

Enclosures: Revised portions of Tab 24
$3,000 Amendment Fee for a Second Amendment
Amendment Request Form
2017 Multifamily Rental Housing Document and Payment Receipt
Signed Statement of No Financial Impact

HOUSING SOLUTIONS ALLIANCE
LLC

Lee Ann Chance, Asset Manager
Asset Management Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: #15119 – Liberty Square & Liberty Village, Groesbeck, Limestone County, Texas; Second Application Amendment Request.

Dear Lee Ann:

On behalf of Liberty Square & Liberty Village (collectively, the "Development"), I certify that the proposed Amendment Request will have no financial impact, because no sources, terms, conditions, or terms of financing will change as a result of the Amendment request.

Very truly yours,

Arthur J. Schuldt, Jr.

Rent Schedule

Self Score Total: 128

ate Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):

Unit types must be entered from smallest to largest based on "# of Bedrooms" and "Unit Size", then within the same "# of Bedrooms" and "Unit Size" from lowest to highest "Rent Collected/Unit".

Rent Designations (select from Drop down menu)													
HTC Units	HOME Units (Rent/Inc)	HTF Units	MRB Units	Other/ Subsidy	# of Units	# of Bed-rooms	# of Baths	Unit Size (Net Rentable Sq. Ft.)	Total Net Rentable Sq. Ft.	Program Rent Limit	Tenant Paid Utility Allow.	Rent Collected /Unit	Total Monthly Rent
					(A)			(B)	(A) x (B)			(E)	(A) x (E)
TC 30%				RAD	0	0	1.0	431	0	297	49	377	-
TC 50%				RAD	6	0	1.0	431	2,586	495	49	377	2,262
TC 30%				RAD	1	0	1.0	478	478	297	49	377	377
TC 60%				RAD	2	0	1.0	478	956	594	49	377	754
TC 30%				RAD	1	1	1.0	605	605	318	59	425	425
TC 50%				RAD	8	1	1.0	605	4,840	530	59	425	3,400
TC 60%				RAD	1	1	1.0	605	605	636	59	425	425
TC 50%				RAD	5	1	1.0	626	3,130	520	59	425	2,125
TC 60%				RAD	1	1	1.0	626	626	636	59	425	425
TC 30%				RAD	1	1	1.0	632	632	318	59	425	425
TC 50%				RAD	13	1	1.0	632	8,216	520	59	425	5,525
TC 60%				RAD	1	1	1.0	632	632	636	59	425	425
TC 30%				RAD	1	2	1.0	803	803	375	71	544	544
TC 50%				RAD	2	2	1.0	803	1,606	375	71	544	1,088
TC 60%				RAD	2	2	1.0	803	1,606	625	71	544	1,088
TC 30%				RAD	1	2	1.0	810	810	375	71	544	544
TC 50%				RAD	6	2	1.0	810	4,860	375	71	544	3,264
TC 60%				RAD	0	2	1.0	810	0	625	71	544	-
TC 30%				RAD	1	3	1.0	997	997	441	84	758	758
TC 60%				RAD	1	3	1.0	997	997	882	84	758	758
TC 50%				RAD	6	3	1.0	998	5,988	735	84	758	4,548
TC 60%				RAD	1	3	1.0	998	998	882	84	758	758
MR				RAD	1	2	1.0	803	803	625	71	544	544
MR				RAD	1	1	1.0	632	632	636	59	425	425
MR				RAD	1	3	1.0	998	998	882	84	758	758
MR				RAD	1	2	1.0	810	810	625	71	544	544
MR				RAD	1	1	1.0	632	632	636	59	425	425
MR				RAD	1	1	1.0	632	632	636	59	425	425
TC 50%				RAD	13	0	1.0	478	6,214	495	49	377	4,901
									0				-
									0				-
									0				-
									0				-
									0				-
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									0				-
									0				-
									0				-
									0				-
			TOTAL		80				52,692				37,940

Non Rental Income	$3.75	per unit/month for:	*App fee, lost key fee, lock out fee pet fee*	300
Non Rental Income	24.00	per unit/month for:	*Cable subscription*	1,920
Non Rental Income	0.00	per unit/month for:		
+ TOTAL NONRENTAL INCOME	**$27.75**	per unit/month		2,220
= POTENTIAL GROSS MONTHLY INCOME				40,160
- Provision for Vacancy & Collection Loss			% of Potential Gross Income: 5.00%	(2,008)
- Rental Concessions *(enter as a negative number)*			**Enter as a negative value**	
= EFFECTIVE GROSS MONTHLY INCOME				38,152
x 12 = EFFECTIVE GROSS ANNUAL INCOME				457,824

Rent Schedule (Continued)

		% of LI	% of Total	
HOUSING TAX CREDITS	TC30%	8%	8%	6
	TC40%			0
	TC50%	80%	74%	59
	TC60%	12%	11%	9
	HTC LI Total			74
	EO			0
	MR			6
	MR Total			6
	Total Units			80
MORTGAGE REVENUE BOND				
	MRB30%			0
	MRB40%			0
	MRB50%			0
	MRB60%			0
	MRB LI Total			0
	MRBMR			0
	MRBMR Total			0
	MRB Total			0

		% of LI	% of Total	
HOUSING TRUST FUND	HTF30%			0
	HTF40%			0
	HTF50%			0
	HTF60%			0
	HTF80%			0
	HTF LI Total			0
	MR			0
	MR Total			0
	HTF Total			0
HOME	30%			0
	LH/50%			0
	HH/60%			0
	HH/80%			0
	HOME LI Total			0
	EO			0
	MR			0
	MR Total			0
	HOME Total			0
OTHER	Total OT Units			80

BEDROOMS	0			22
	1			34
	2			14
	3			10
	4			0
	5			0

ACQUISITION + HARD		
Cost Per Sq Ft	$ 113.61	
HARD		
Cost Per Sq Ft	$ 98.42	
BUILDING		Total Points claimed:
Cost Per Sq Ft	$ 78.70	12

Applicants are advised to ensure that figure is not rounding down to the maximum dollar figure to support the elected points.

Utility Allowances

Applicant must attach to this form documentation from the source of the "Utility Allowance" estimate used in completing the Rent Schedule provided in the Application Packet. This exhibit must clearly indicate which utility costs are included in the estimate.

Note: If more than one entity (Sec. 8 administrator, public housing authority) is responsible for setting the utility allowance(s) in the area of the development location, then the selected utility allowance must be the one which most closely reflects the actual expenses.

If an independent utility cost evaluation is conducted it must include confirming documentation from all the relevant utility providers.

If other reductions to the tenant rent is required such as the cost of flood insurance for the tenant's contents, documentation for these reductions to gross rent should also be attached.

Utility	Who Pays	***Energy Source***	0BR	1BR	2BR	3BR	4BR	Source of Utility Allowance & Effective Date
Heating	Tenant	Natural Gas	$ 3	$ 5	$ 6	$ 8		GHA
Cooking	Tenant	Natural Gas	$ 2	$ 2	$ 3	$ 4		GHA
Other Electric	Tenant		$ 11	$ 13	$ 15	$ 17		GHA
Air Conditioning	Tenant	Electric	$ 11	$ 13	$ 16	$ 18		GHA
Water Heater	Tenant	Natural Gas	$ 4	$ 6	$ 7	$ 9		GHA
Water	Tenant		$ 9	$ 10	$ 12	$ 14		GHA
Sewer	Tenant		$ 9	$ 10	$ 12	$ 14		GHA
Trash								
Flat Fee								
Other	Tenant							Hill County HA 10/1/14
Total Paid by Tenant			$ 49	$ 59	$ 71	$ 84	$ -	

Other (Describe)

ANNUAL OPERATING EXPENSES

General & Administrative Expenses				
Accounting		$	5,000.00	
Advertising		$	200.00	
Legal fees		$		
Leased equipment		$	3,398.00	
Postage & office supplies		$	1,500.00	
Telephone		$	7,000.00	
Other	***DESCRIBE***	$	2,264	
Other	***Cable TV***	$	23,400	
Total General & Administrative Expenses:				$ 42,762
Management Fee:	Percent of Effective Gross Income:		4.29%	$ 19,643
Payroll, Payroll Tax & Employee Benefits				
Management		$	76,648	
Maintenance		$	47,622	
Other		$		
Other				
Total Payroll, Payroll Tax & Employee Benefits:				$ 124,270
Repairs & Maintenance				
Elevator		$		
Exterminating		$	6,900	
Grounds		$	1,000	
Make-ready		$	3,500	
Repairs		$	20,500	
Pool		$		
Other		$		
Other		$		
Total Repairs & Maintenance:				$ 31,900
Utilities (Enter Only Property Paid Expense)				
Electric	***Actual Operating Experience***	$	8,556	
Natural gas	***SOURCE USED FOR ESTIMATE***	$	1,200	
Trash	***Actual Operating Experience***	$	13,873	
Water/Sewer	***Actual Operating Experience***	$	49,003	
Other		$		
Other		$		
Total Utilities:				$ 72,632
Annual Property Insurance:	Rate per net rentable square foot:	$	0.53	$ 28,000
Property Taxes:				
Published Capitalization Rate: 10.00%	Source: TDHCA Default			
Annual Property Taxes		$		
Payments in Lieu of Taxes		$	0	
Total Property Taxes:				$ -
Reserve for Replacements:	Annual reserves per unit:	$	$ 352	$ 28,160
Other Expenses				
Cable TV		$		
Supportive Services (Staffing/Contracted Services)		$	1,112	
TDHCA Compliance fees		$	3,200	
TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only)		$		
Security		$		
Other	***Internet Service***	$		
Other		$		
Total Other Expenses:				$ 4,312
TOTAL ANNUAL EXPENSES	Expense per unit:	$	4396	$ 351,679
	Expense to Income Ratio:		**76.82%**	
NET OPERATING INCOME (before debt service)				$ 106,145
Annual Debt Service				
Home Federal Bank, 6.32%		$	29,773	
Contract Services		$	0	
RAD required addition R for R		$	0	
Groesbeck Housing Authority		$	68,735	
TOTAL ANNUAL DEBT SERVICE	Debt Coverage Ratio:		1.08	$ 98,508
NET CASH FLOW				$ 7,637

15 Year Rental Housing Operating Pro Forma

All Programs Must Complete the following:

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	$455,280	$464,386	$473,673	$483,147	$492,810	$544,102	$600,732
Secondary Income	$ 26,640	$ 27,173	$ 27,716	$ 28,271	$ 28,836	$ 31,837	$ 35,151
POTENTIAL GROSS ANNUAL INCOME	$481,920	$491,558	$501,390	$511,417	$521,646	$575,939	$635,883
Provision for Vacancy & Collection Loss	($24,096)	($24,578)	($25,069)	($25,571)	($26,082)	($28,797)	($31,794)
Rental Concessions	$0						
EFFECTIVE GROSS ANNUAL INCOME	$457,824	$466,980	$476,320	$485,846	$495,563	$547,142	$604,089
EXPENSES							
General & Administrative Expenses	$42,762	$44,045	$45,366	$46,727	$48,129	$55,795	$64,681
Management Fee	$ 19,643	$ 20,232	$ 20,839	$ 21,464	$ 22,108	$ 25,630	$ 29,712
Payroll, Payroll Tax & Employee Benefits	$ 124,270	$ 127,998	$ 131,838	$ 135,793	$ 139,867	$ 162,144	$ 187,970
Repairs & Maintenance	$ 31,900	$ 32,857	$ 33,843	$ 34,858	$ 35,904	$ 41,622	$ 48,252
Electric & Gas Utilities	$ 9,756	$ 10,049	$ 10,350	$ 10,661	$ 10,980	$ 12,729	$ 14,757
Water, Sewer & Trash Utilities	$ 62,876	$ 64,762	$ 66,705	$ 68,706	$ 70,767	$ 82,039	$ 95,106
Annual Property Insurance Premiums	$ 28,000	$ 28,840	$ 29,705	$ 30,596	$ 31,514	$ 36,534	$ 42,353
Property Tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reserve for Replacements	$ 28,160	$ 29,005	$ 29,875	$ 30,771	$ 31,694	$ 36,742	$ 42,595
Other Expenses	$ 4,312	$ 4,441	$ 4,575	$ 4,712	$ 4,853	$ 5,626	$ 6,522
TOTAL ANNUAL EXPENSES	$351,679	$362,229	$373,096	$384,289	$395,818	$458,861	$531,946
NET OPERATING INCOME	$106,145	$104,751	$103,224	$101,557	$99,746	$88,281	$72,143
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	$29,773	$29,773	$29,773	$29,773	$29,773	$29,773	$29,773
Second Deed of Trust Annual Loan Payment							
Third Deed of Trust Annual Loan Payment							
Other Annual Required Payment	68,735	67,480	66,106	64,606	62,975	52,657	38,133
Other Annual Required Payment							
NET CASH FLOW	$7,637	$7,498	$7,345	$7,178	$6,998	$5,851	$4,237
Debt Coverage Ratio	1.08	1.08	1.08	1.08	1.08	1.07	1.06
Other (Describe)							
Other (Describe)							

By signing below I (we) are certifying that the above 15 Year pro forma, rent schedule and operating expense schedule have been reviewed and generally meet current lender underwriting parameters for the loan terms indicated in the term sheet. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)

Phone:

Email:

Signature, Authorized Representative, Construction or Permanent Lender

Printed Name

Date

Development Cost Schedule

Self Score Total: **128**

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the Eligible Basis columns and the Requested Credit calculation below:

	TOTAL DEVELOPMENT SUMMARY			Scratch Paper/Notes
	Total Cost	Eligible Basis (If Applicable) Acquisition	New/Rehab.	
ACQUISITION				
Site acquisition cost	50,000			
Existing building acquisition cost	2,380,000	800,000		
Closing costs & acq. legal fees				
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
Subtotal Acquisition Cost	$2,430,000	$800,000	$0	
OFF-SITES[2]				
Off-site concrete				
Storm drains & devices				
Water & fire hydrants				
Off-site utilities				
Sewer lateral(s)				
Off-site paving				
Off-site electrical				
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
Subtotal Off-Sites Cost	$0	$0	$0	
SITE WORK[3]				
Demolition				
Asbestos Abatement (Demolition Only)				
Detention			0	
Rough grading			0	
Fine grading	29,360		29,360	
On-site concrete			0	
On-site electrical	15,200		15,200	
On-site paving	174,960		174,960	
On-site utilities	107,460		107,460	
Decorative masonry			0	
Bumper stops, striping & signs			0	
Other (specify) - see footnote 1			0	
Subtotal Site Work Cost	$326,980	$0	$326,980	
SITE AMENITIES				
Landscaping	78,200		78,200	
Pool and decking			0	
Athletic court(s), playground(s)			0	
Fencing			0	
Other (specify) - see footnote 1			0	
Subtotal Site Amenities Cost	$78,200	$0	$78,200	
BUILDING COSTS*:				
Concrete	99,170		99,170	
Masonry	5,000		5,000	
Metals	5,000		5,000	
Woods and Plastics	891,794		891,794	
Thermal and Moisture Protection	63,000		63,000	
Roof Covering	164,970		164,970	

Doors and Windows		160,539		160,539		
BUILDING COSTS (Continued):						
Finishes		604,412		604,412		
Specialties		69,102		69,102		
Equipment		212,050		212,050		
Furnishings		173,875		173,875		
Special Construction				0		
Conveying Systems (Elevators)				0		
Mechanical (HVAC; Plumbing)		1,005,557		1,005,557		
Electrical		624,094		624,094		
Individually itemize costs below:						
Detached Community Facilities/Building		19,969		19,969		
Carports and/or Garages				0		
Lead-Based Paint Abatement				0		
Asbestos Abatement (Rehabilitation Only)				0		
Structured Parking				0		
Commercial Space Costs						
PLEASE SPECIFY - see footnote 1		48,072		48,072		
Subtotal Building Costs		$4,146,604	$0	$4,146,604		
TOTAL BUILDING COSTS & SITE WORK		$4,551,784	$0	$4,551,784		
(including site amenities)						
Contingency	0.0%	$0.00		0		
TOTAL HARD COSTS		$4,551,784	$0	$4,551,784		
OTHER CONSTRUCTION COSTS						
General requirements (<6%)	5.97%	271,846		271,846	5.97%	
Field supervision (within GR limit)						
Contractor overhead (<2%)	1.99%	90,636		90,636	1.99%	
G & A Field (within overhead limit)						
Contractor profit (<6%)	5.97%	271,909		271,909	5.97%	
TOTAL CONTRACTOR FEES		$634,391	$0	$634,391		
TOTAL CONSTRUCTION CONTRACT		*$5,186,175*	*$0*	*$5,186,175*		
SOFT COSTS[3]						
Architectural - Design fees		295,000		295,000		
Architectural - Supervision fees		73,750		73,750		
Engineering fees		24,426		24,426		
Real estate attorney/other legal fees		249,560		249,560		
Accounting fees		25,000		25,000		
Impact Fees				0		
Building permits & related costs				0		
Appraisal		7,625		7,625		
Market analysis		7,625		7,625		
Environmental assessment		44,690		44,690		
Soils report				0		
Survey		18,506		18,506		
Marketing						
Hazard & liability insurance		46,443		46,443		
Real property taxes				0		
Personal property taxes				0		
Tenant relocation expenses		48,792		48,792		
Historic Consultant		57,500		57,500		
Soft Cost Contingency		44,000		44,000		

Subtotal Soft Cost	$942,917	$0	$942,917	
FINANCING:				
CONSTRUCTION LOAN(S)[3]				
Interest	210,000		210,000	
Loan origination fees	60,000		60,000	
Title & recording fees	65,992		65,992	
Closing costs & legal fees	22,358		22,358	
Inspection fees	13,200		13,200	
Credit Report			0	
Discount Points			0	
Bank Appraisal	7,600		7,600	
Other (specify) - see footnote 1			0	
PERMANENT LOAN(S)				
Loan origination fees	18,375			
Title & recording fees	4,997			
Closing costs & legal	16			
Bond premium				
Credit report				
Discount points				
Credit enhancement fees				
Prepaid MIP				
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
BRIDGE LOAN(S)				
Interest			0	
Loan origination fees			0	
Title & recording fees			0	
Closing costs & legal fees			0	
Other (specify) - see footnote 1			0	
Other (specify) - see footnote 1			0	
OTHER FINANCING COSTS[3]				
Tax credit fees	30,366			
Tax and/or bond counsel				
Payment bonds				
Performance bonds				
Credit enhancement fees				
Mortgage insurance premiums				
Cost of underwriting & issuance				
Syndication organizational cost	15,000			
Tax opinion				
Contractor Guarantee Fee				
Developer Guarantee Fee				
TDHCA Application Amendments	5,000			
Other (specify) - see footnote 1				
Subtotal Financing Cost	$452,904	$0	$379,150	
DEVELOPER FEES[3]				
Housing consultant fees[4]	150,000		150,000	
General & administrative				
Profit or fee	946,000		946,000	
Subtotal Developer Fees 15.00%	$1,096,000	$0	$1,096,000	15.00%
RESERVES				
Rent-up				
Operating	186,238			
Replacement	143,808			
Escrows				

Subtotal Reserves	$330,046	$0	$0	
TOTAL HOUSING DEVELOPMENT COSTS[5]	$10,438,042	$800,000	$7,604,242	
The following calculations are for HTC Applications only.				
Deduct From Basis:				
Federal grants used to finance costs in Eligible Basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units §42(d)(5)				
Historic Credits (residential portion only)				No deduction for state historic credits
Total Eligible Basis		$800,000	$7,604,242	
**High Cost Area Adjustment (100% or 130%)			130%	
Total Adjusted Basis		$800,000	$9,885,515	
Applicable Fraction		100%	93.75%	5 over income households
Total Qualified Basis	$10,067,670	$800,000	$9,267,670	
Applicable Percentage[6]		3.35%	7.87%	
Credits Supported by Eligible Basis	$756,166	$26,800	$729,366	
(May be greater than actual request)				

Name of contact for Cost Estimate: **Art Schuldt, Jr.**

Phone Number for Contact: **318-213-6502**

Footnotes:

[1] An itemized description of all "other" costs must be included at the end of this exhibit.

[2] All Off-Site costs must be justified by a Third Party engineer in accordance with the Department's format provided in the Offsite Cost Breakdown form.

[3] (HTC Only) Site Work expenses, indirect construction costs, developer fees, construction loan financing and other financing costs may or may not be included in Eligible Basis. Site Work costs must be justified by a Third Party engineer in accordance with the Department's format provided in the Site Work Cost Breakdown form.

[4] *(HTC Only)* Only fees paid to a consultant for duties which are not ordinarily the responsibility of the developer, can be included in Eligible Basis. Otherwise, consulting fees are included in the calculation of maximum developer fees.

[5] *(HTC Only)* Provide **all** costs & Eligible Basis associated with the Development.

[6] (HTC Only) Use the appropriate Applicable Percentages as defined in §10.3 of the Uniform Mutifamily Rules.

Financing Narrative and Summary of Sources and Uses

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

Financing Participants	Funding Description	Construction Period		Lien Position	Permanent Period					Lien Position
		Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amort - ization	Term (Yrs)	Syndication Rate	
Debt										
TDHCA	HOME	$0	0%		$ -	0%	0	0		
TDHCA	TCAP Loan Repayments	$0	0%		$ -	0%	0	0		
TDHCA	Mortgage Revenue Bond	$0	0%		$ -	0%	0	0		
Home Federal Bank	Conventional Loan			1	$ 400,000	6.32%	30	17		1
Groesbeck Housing Authority	Conventional Loan			2	$ 1,210,520	2.26%	30	40		
Liberty Housing Alliance (CFP)	Conventional Loan			3	$ 418,173	2.26%	0	40		
Liberty Housing Alliance (AHP)	Conventional Loan			4	$ 500,000	2.26%	0	40		
Third Party Equity										
R4 Capital, LLC	HTC $ 647,667				$ 6,574,000				1.015	
Grant										
Deferred Developer Fee										
Housing Solutions Alliance, LLC		$ -			$ 115,869					
Other										
Foss Texas Fund	Historic Tax Credit Equity				$ 1,219,480				$0.86	
	Total Sources of Funds	$ -			$ 10,438,042					
	Total Uses of Funds				$ 10,438,042					

Briefly describe the complete financing plan for the Development, including a discussion of the sources of funds. The information must be consistent with all other documentation in this section. Provide sufficient detail so that the reader can understand all terms related to each source that are not readily apparent above or in the term sheets.

Underwriting by HUD under the RAD program determined based on historical operating expenses, supportable first mortgage debt is reduced to $400,000. This change resulted in significant GAP unless filled with other sources. Groesbeck Housing Authority applied to the FHLB Dallas in May 2016 for an AHP Grant and was awarded the grant of $500,000 in the late fall of 2016. In addition, the development team explored eligibility for Texas State Historic credits, engaging Heritage Consulting to evaluate. It was determined that all 80 units could be eligible for historic status. As a result, the project now has conditional Part 2 approval from the NPS and SHPO. The developer decided to utilize state historic credits only and not federal so as to not affect the original basis calculations. Foss and Company has agreed to purchase the state historic credits for $1,300,000. R4 Capital is providing equity of $6,574,000. The Groesbeck Housing Authority is contributing $418,173 in housing authority funds and seller take-back financing of the acquistion in the amount of $1,246,869.

Unit:	Tenant	Annual Income	# HH	30%	40%	50%	60%	OI	Rent
1	[redacted]	$ 25,468	1					x	$ 484
2	[redacted]	$ 12,757	1			x			$ 260
3	[redacted]	$ 9,562	1	x					$ 176
4	[redacted]	$ 23,478	1					x	$ 484
5	[redacted]	$ 27,159	1					x	$ 484
6	[redacted]	$ 10,876	1	x					$ 203
7	[redacted]	$ 8,820	1	x					$ 152
8	[redacted]	$ 2,976	1	x					$ -
9	[redacted]	$ 16,596	1			x			$ 356
10	[redacted]	$ 14,616	1			x			$ 275
11	[redacted]	$ 19,656	1				x		$ 405
12	[redacted]	$ 12,708	1			x			$ 249
13	[redacted]	$ 10,440	1	x					$ 182
14	[redacted]	$ 8,820	1	x					$ 133
15	[redacted]	$ 11,016	1	x					$ 207
16	[redacted]	$ 6,126	1	x					$ 94
17	[redacted]	$ 8,820	1	x					$ 162
18	[redacted]	$ 15,636	1			x			$ 303
19	[redacted]	$ 9,035	1	x					$ 157
20	[redacted]	$ 11,844	1			x			$ 208
21	[redacted]	$ 32,940	3					x	$ 642
22	[redacted]	$ 20,555	5			x			$ 102
23	[redacted]	$ 17,741	2				x		$ 406
24	[redacted]	$ 39,781	2					x	$ 615
25	[redacted]	$ 10,435	4	x					$ 145
26	[redacted]	$ 17,100	2			x			$ 364
27	[redacted]	$ 17,695	3				x		$ 324
28	[redacted]	$ 7,893	3	x					$ 47
29	[redacted]	$ 8,820	1	x					$ 118
30	[redacted]	$ 8,820	1	x					$ 133
31	[redacted]	$ 12,242	1			x			$ 237
32	[redacted]	$ 9,060	1	x					$ 158
33	[redacted]	$ 23,822	3			x			$ 495
34	[redacted]	$ 2,400	2	x					$ 3
35	[redacted]	$ 24,267	4			x			$ 233
36	[redacted]	$ 23,100	3			x			$ 527
37	[redacted]	$ 16,489	4	x					$ 209
38	[redacted]	$ 11,381	4	x					$ 164
39	[redacted]	$ 10,416	2	x					$ 180
40	[redacted]	$ 20,004	2			x			$ 298
41	[redacted]	$ 12,863	2			x			$ 197
42	[redacted]	$ 11,832	3	x					$ 215
43	[redacted]	$ 14,247	2				x		$ 232
44	[redacted]	$ 32,951	2					x	$ 615
45	[redacted]	$ 9,076	1	x					$ 139
46	[redacted]	$ 9,060	1	x					$ 158
47	[redacted]	$ 12,432	1			x			$ 246
48	[redacted]	$ 21,533	1				x		$ 382
49	[redacted]	$ 16,090	1			x			$ 346
50	[redacted]	$ 21,912	1				x		$ 426
51	[redacted]	$ 19,974	1				x		$ 264
52	[redacted]	$ 1,200	1	x					$ -
53	[redacted]	$ 8,738	1	x					$ 150

1 person		
	30%	**$ 11,580**
	40%	
	50%	**$ 19,300**
	60%	**$ 23,160**
2 person		
	30%	**$ 13,260**
	40%	
	50%	**$ 22,100**
	60%	**$ 26,520**
3 person		
	30%	**$ 14,910**
	40%	
	50%	**$ 24,850**
	60%	**$ 29,820**
4 person		
	30%	**$ 16,560**
	40%	
	50%	**$ 27,600**
	60%	**$ 33,120**
5 person		
	30%	**$ 17,880**
	40%	
	50%	**$ 29,800**
	60%	**$ 35,760**
6 person		
	30%	**$ 19,200**
	40%	
	50%	**$ 32,000**
	60%	**$ 38,400**

Unit:	Tenant	Annual Income	# HH	30%	40%	50%	60%	OI	Rent
54	[redacted]	$ 9,074	1	x					$ 158
55	[redacted]	$ 9,696	1	x					$ 174
56	[redacted]	$ 9,060	1	x					$ 138
57	[redacted]	$ 8,820	1	x					$ 130
58	[redacted]	$ 1,200	1	x					$ -
59	[redacted]	$ 15,504	1			x			$ 329
60	[redacted]	$ 4,164	1	x					$ 55
61	[redacted]	$ 10,742	1	x					$ 205
62	[redacted]	$ 9,060	1	x					$ 139
63	[redacted]	$ 8,820	1	x					$ 151
64	[redacted]	$ 10,082	1	x					$ 183
65	[redacted]	$ 8,820	1	x					$ 133
66	[redacted]	$ 13,239	1			x			$ 157
67	[redacted]	$ 9,060	1	x					$ 155
68	[redacted]	$ 9,060	1	x					$ 149
69	[redacted]	$ 17,103	1			x			$ 330
70	[redacted]	$ 12,540	1			x			$ 245
71	[redacted]	$ 12,396	1			x			$ 241
72	[redacted]	$ 8,820	1	x					$ 133
73	[redacted]	$ 21,322	1				x		$ 371
74	[redacted]	$ 1,200	1	x					$ -
75	[redacted]	$ 15,027	1			x			$ 278
76	[redacted]	$ 13,295	1			x			$ 273
77	[redacted]	$ 17,227	3			x			$ 90
78	[redacted]	$ 15,674	2			x			$ 311
79	[redacted]	$ 10,976	4	x					$ 211
80	[redacted]	$ 17,812	3			x			$ 346
				40	**0**	**26**	**8**	**6**	

Texas Department of Housing and Community Affairs
Rent and Income Limits[1] (As of 6/14/2017)

Project:

Instructions:

(1) Choose the county in which your project is located.

(2) If your project is located within the boundaries of one of the designated places listed in the drop down menu then make the appropriate selection. If the location is not listed, then choose the "Not Listed" option.

(3) Please select the financing applicable for your project. Units financed with HOME, NSP, or tax exempt bonds and 4% tax credits are not eligible to use the National Non-Metro limits.

(4) Choose the date the first building in the project (as defined on line 8b of the 8609) was placed in service or for Housing Trust Fund, the date of your LURA. For HOME or NSP, select "N/A."

(5) Select the date based on the execution date of your property's Carryover Agreement, Determination Notice, Subaward Agreement Date. For Housing Trust Fund, select the date of your LURA. For HOME or NSP select "N/A." See footnote 3 for more details.

PLEASE COMPLETE ALL FIELDS.

(1) County: Limestone

(2) Place:[2] Not Listed

(3) Financing: 9% Housing Tax Credits

(4) Project PIS Date: On of After 5/30/2017

(5) Carryover / Determination Notice / Subaward Agreement Date: 4/21/2015 - 3/27/2016

INCOME LIMITS

2017 Area Median Income: $52,100

AMFI %	Number of Household Members: 1	2	3	4	5	6	7	8
30	$ 11,580	$ 13,260	$ 14,910	$ 16,560	$ 17,880	$ 19,200	$ 20,550	$ 21,870
40	$ 15,440	$ 17,680	$ 19,880	$ 22,080	$ 23,840	$ 25,600	$ 27,400	$ 29,160
50	$ 19,300	$ 22,100	$ 24,850	$ 27,600	$ 29,800	$ 32,000	$ 34,250	$ 36,450
60	$ 23,160	$ 26,520	$ 29,820	$ 33,120	$ 35,760	$ 38,400	$ 41,100	$ 43,740
80	$ 30,880	$ 35,360	$ 39,760	$ 44,160	$ 47,680	$ 51,200	$ 54,800	$ 58,320
120	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

RENT LIMITS

AMFI %	Number of Bedrooms: 0	1	2	3	4	5
30	$297	$318	$381	$441	$492	$542
40	$396	$424	$509	$588	$656	$723
50	$495	$530	$636	$735	$820	$904
60	$594	$636	$763	$882	$984	$1,085
65						
80	$792	$848	$1,018	$1,176	$1,312	$1,447

1. This information is being provided to assist in the determining the rents and incomes applicable given a set of assumptions you select. You are encouraged to independently verify the results or contact the Department if you have concerns.

2. The "Place" field is used to determine whether the property is eligible to use the National Non-Metropolitan Median Income limits. Not all Places or Cities in Texas are shown. If you are located outside of the boundaries of a designated Place then select "Not Listed" even if your mailing address reflects the place name.

3. The 'Carryover / Determination Notice / Subaward Agreement Date' field is used to determine whether the property's gross rent floor is based upon a different set of income limits than those used to qualify tenants. For a

4. The 2017 Housing Tax Credit and NSP income limits are effective 4/14/2017. The Community Planning Division (CPD) of HUD released the 2017 HOME Program income limits effective 6/15/2017 and rent limits that are effective for all new leases and lease renewals after 6/15/2017.

5. For Housing Tax Credit project(s) that place in service or execute a Carryover Agreement within 45 days after HUD releases the MTSP Income limits where the newly released limits reflect a decrease, IRS Revenue Ruling 94-57 allows the owner to rely on either limit.

* Revised 6/14/2017

Texas Department of Housing and Community Affairs

Rent and Income Limits[1] (As of 6/15/2016)

Project:

Instructions:

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(5) Select the date based on the execution date of your property's Carryover Agreement, Determination Notice, Subaward Agreement Date. For Housing Trust Fund, select the date of your LURA. For HOME or NSP select "N/A." See footnote 3 for more details.

PLEASE COMPLETE ALL FIELDS.

(1) County: Limestone

(2) Place:[2] Not Listed

(3) Financing: 9% Housing Tax Credits

(4) Project PIS Date: On or After 5/13/2016

(5) Carryover / Determination Notice / Subaward Agreement Date:
4/21/2015 - 3/27/2016

INCOME LIMITS

2016 Area Median Income: $50,400

AMFI	Number of Household Members							
%	1	2	3	4	5	6	7	8
30	$ 11,280	$ 12,900	$ 14,520	$ 16,110	$ 17,400	$ 18,690	$ 19,980	$ 21,270
40	$ 15,040	$ 17,200	$ 19,360	$ 21,480	$ 23,200	$ 24,920	$ 26,640	$ 28,360
50	$ 18,800	$ 21,500	$ 24,200	$ 26,850	$ 29,000	$ 31,150	$ 33,300	$ 35,450
60	$ 22,560	$ 25,800	$ 29,040	$ 32,220	$ 34,800	$ 37,380	$ 39,960	$ 42,540
80	$ 30,080	$ 34,400	$ 38,720	$ 42,960	$ 46,400	$ 49,840	$ 53,280	$ 56,720
120	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

RENT LIMITS

AMFI	Number of Bedrooms					
%	0	1	2	3	4	5
30	$297	$318	$381	$441	$492	$542
40	$396	$424	$509	$588	$656	$723
50	$495	$530	$636	$735	$820	$904
60	$594	$636	$763	$882	$984	$1,085
65						
80	$792	$848	$1,018	$1,176	$1,312	$1,447

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3. The 'Carryover / Determination Notice / Subaward Agreement Date' field is used to determine whether the property's gross rent floor is based upon a different set of income limits than those used to qualify

4. The 2016 Housing Tax Credit income limits are effective 3/28/2016. The 2015 NSP income limits are effective 3/2015. The Community Planning Division (CPD) of HUD released the 2016 HOME Program income limits effective 6/6/2016 and rent limits that are effective for all new leases and lease renewals after 6/6/2016.

5. For Housing Tax Credit project(s) that place in service or execute a Carryover Agreement within 45 days after HUD releases the MTSP Income limits where the newly released limits reflect a decrease, IRS Revenue Ruling 94-57 allows the owner to rely on either limit.

Texas Department of Housing and Community Affairs
Rent and Income Limits[1] (As of 6/1/2015)

Project:

Instructions:

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PLEASE COMPLETE ALL FIELDS.

(1) County: Limestone

(2) Place:[2] Not Listed

(3) Financing: 9% Housing Tax Credits

(4) Project PIS Date: On or After 4/21/2015

(5) Carryover / Determination Notice / Subaward Agreement Date:

On or After 4/21/2015

INCOME LIMITS

2015 Area Median Income: $56,500

AMFI	Number of Household Members							
%	1	2	3	4	5	6	7	8
30	$ 11,880	$ 13,560	$ 15,270	$ 16,950	$ 18,330	$ 19,680	$ 21,030	$ 22,380
40	$ 15,840	$ 18,080	$ 20,360	$ 22,600	$ 24,440	$ 26,240	$ 28,040	$ 29,840
50	$ 19,800	$ 22,600	$ 25,450	$ 28,250	$ 30,550	$ 32,800	$ 35,050	$ 37,300
60	$ 23,760	$ 27,120	$ 30,540	$ 33,900	$ 36,660	$ 39,360	$ 42,060	$ 44,760
80	$ 31,680	$ 36,160	$ 40,720	$ 45,200	$ 48,880	$ 52,480	$ 56,080	$ 59,680
120	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

RENT LIMITS

AMFI	Number of Bedrooms					
%	0	1	2	3	4	5
30	$297	$318	$381	$441	$492	$542
40	$396	$424	$509	$588	$656	$723
50	$495	$530	$636	$735	$820	$904
60	$594	$636	$763	$882	$984	$1,085
65						
80	$792	$848	$1,018	$1,176	$1,312	$1,447

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Texas Department of Housing and Community Affairs

Rent and Income Limits[1] (As of 6/1/2015)

Project:

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PLEASE COMPLETE ALL FIELDS.

(1) County: Limestone

(2) Place:[2] Not Listed

(3) Financing: 9% Housing Tax Credits

(4) Project PIS Date: On or After 4/21/2015

(5) Carryover / Determination Notice / Subaward Agreement Date:

On or After 4/21/2015

INCOME LIMITS

2015 Area Median Income: $56,500

AMFI %	Number of Household Members: 1	2	3	4	5	6	7	8
30	$ 11,880	$ 13,560	$ 15,270	$ 16,950	$ 18,330	$ 19,680	$ 21,030	$ 22,380
40	$ 15,840	$ 18,080	$ 20,360	$ 22,600	$ 24,440	$ 26,240	$ 28,040	$ 29,840
50	$ 19,800	$ 22,600	$ 25,450	$ 28,250	$ 30,550	$ 32,800	$ 35,050	$ 37,300
60	$ 23,760	$ 27,120	$ 30,540	$ 33,900	$ 36,660	$ 39,360	$ 42,060	$ 44,760
80	$ 31,680	$ 36,160	$ 40,720	$ 45,200	$ 48,880	$ 52,480	$ 56,080	$ 59,680
120	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

RENT LIMITS

AMFI %	Number of Bedrooms: 0	1	2	3	4	5
30	$297	$318	$381	$441	$492	$542
40	$396	$424	$509	$588	$656	$723
50	$495	$530	$636	$735	$820	$904
60	$594	$636	$763	$882	$984	$1,085
65						
80	$792	$848	$1,018	$1,176	$1,312	$1,447

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1g

BOARD ACTION REQUEST

COMMUNITY AFFAIRS DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action on the reprogramming of Program Year ("PY") 2017 Community Services Block Grant ("CSBG") Discretionary funds

RECOMMENDED ACTION

WHEREAS, CSBG funds are awarded annually to the State of Texas by the U.S. Department of Health and Human Services ("HHS");

WHEREAS, upon the Department's receipt of the State's annual award of CSBG funds, it 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, on October 13, 2016, the Board approved the usage of 2017 CSBG Discretionary ("CSBG-D") funds for historically based uses and other focus areas designed to support eligible entities in the administration and implementation of the CSBG;

WHEREAS, the funding activities identified in October 2016 have not resulted in the full utilization of CSBG-D funds;

WHEREAS, the Department has determined that there remains $220,000 in unexpended PY 2017 CSBG-D funds;

WHEREAS, the Department wishes to expend the funds prior to the funds' expiration on August 31, 2018, and therefore warrant prompt reprogramming; and

WHEREAS, eight subrecipients recommended in this action have achieved expenditure rates of 100% within the original contract period and are in a position to spend additional funds;

NOW, therefore, it is hereby

RESOLVED, that the Board approves of the reprogramming of remaining 2017 CSBG-D funds totaling $220,000 to provide funds to the eight CSBG eligible entities enumerated in this action for the provision of services to low-income individuals and communities;

FURTHER RESOLVED, that the Executive Director and his designees each of them be and they hereby are, authorized, empowered, and directed, for and on behalf of the Department, to issue contracts for these funds, consistent with the policy noted herein; and

FURTHER RESOLVED, that should any funds designated for these or other 2017 CSBG-D activities remain unused after a reasonable period, those funds, along with any additional unused CSBG-D or CSBG Administrative funds from 2017 or prior years, may also be redistributed to these activities.

BACKGROUND

At the Board meeting of October 13, 2016, the Board approved utilizing approximately $1,600,000 in PY 2017 CSBG-D funds for the following:

Use of PY 2017 CSBG-D Funds	Original Plan Oct 2016	Contracted/ Committed	Available for Reobligation
Direct Client Assistance	$650,000	$438,750*	$0
Intensive CAA Support Assessments	$100,000	$100,000	$0
Network Transitions Fund	$150,000	$0	$150,000
Network Training and Technical Assistance	$100,000	$80,000	$20,000
Migrant Seasonal Farmworker & Native American Funds	$300,000	$200,000*	$0
Housing Voucher Program Support	$150,000	$150,000	$0
Disaster Recovery	$150,000	$150,000	$0
Unobligated	$112,000	$62,000	$50,000
Hurricane Harvey	$0	$311,250*	$0
TOTAL CSBG-D	$1,712,000	$1,492,000	**$220,000**
Total Balance for Reprogramming:			**$220,000**

*At the Board meeting of September 7, 2017, the Board approved immediate obligation of approximately $575,975 in a combination of 2017 programmed CSBG-D, a portion of unobligated CSBG-D and administrative funding to be reprogrammed to eligible entities in areas affected by Hurricane Harvey. The CSBG-D programmed portion of funding for Hurricane Harvey was comprised of unobligated Direct Client Assistance funds, and Migrant Seasonal Farm Worker and Native American funds.

Proposed Use of Unexpended CSBG-D Funds

Consistent with the approach used in prior years of directing funds to those entities with the greatest expenditures, the Department recommends re-programming the $220,000 to CSBG eligible entities that had expended 100% of their contracted PY2017 CSBG funds by the original contract end date and have had their previous participation approved pursuant to 10 TAC, Chapter 1, Subchapter C, §1.302. Funds will be directed to be utilized for the provision of services to low-income individuals and communities with the requirement that full expenditure of the funds must be achieved by August 31, 2018. The list of the eight entities meeting these criteria is in the table below with the approximate amounts, based on their 2018 proportional share among the awarded recipients, to be distributed to each entity.

Subrecipient	Amount
Aspermont Small Business Development Center, Inc.	$19,338
Big Bend Community Action Committee, Inc.	$19,338
Central Texas Opportunities, Inc.	$25,377
Combined Community Action, Inc.	$26,429
Community Action Social Services and Education, Inc.	$20,630
Economic Action Committee of the Gulf Coast	$19,338
South Plains Community Action Association, Inc.	$35,670
Texas Neighborhood Services	$53,880
Total:	**$220,000**

1h

BOARD ACTION REQUEST

COMMUNITY AFFAIRS

FEBRUARY 22, 2018

Presentation, discussion, and possible action on approval of the Draft Federal Fiscal Year ("FFY") 2018 Department of Energy ("DOE") Weatherization Assistance Program ("WAP") State Plan for Public Comment

RECOMMENDED ACTION

WHEREAS, the Energy Conservation in Existing Buildings Act of 1976 (42 USC §6851), as amended in Title II, Part 2 of the National Energy Conservation Policy Act allows DOE WAP funds to be utilized to carry out a program of weatherization assistance for low-income persons, as well as 10% for planning and administration;

WHEREAS, the Department develops and submits a State Plan to the DOE each year to administer the WAP;

WHEREAS, the Department anticipates receiving notice of Federal Fiscal Year ("FFY") 2018 Department of Energy Weatherization Assistance Program ("DOE WAP") funds in the estimated amount of $5,480,562;

WHEREAS, the DOE WAP funds are allocated based on the formula detailed in 10 TAC §6.404, Distribution of WAP Funds; and

WHEREAS, the attached Draft FFY 2018 DOE WAP State Plan is proposed for public comment;

NOW, therefore, it is hereby

RESOLVED, that the Draft FFY 2018 DOE WAP State Plan, in the form presented to this meeting, is hereby approved for public comment and public hearing; and

FURTHER RESOLVED, that the final plan with consideration for public comment and technical corrections made by staff, along with award recommendations for Subgrantees as indicated in Section IV.1 of the State Plan will be presented to the Board no later than the meeting of April 26, 2018, and will serve as a public hearing as required by 10 CFR 440.12(a).

BACKGROUND

The Department anticipates receiving notice of an estimated award of $5,480,562 for the 2018 DOE WAP. The DOE WAP funding provides for the installation of weatherization measures to increase energy efficiency of a home including caulking; weather-stripping; adding ceiling, wall, and floor insulation; patching holes in the building envelope; duct work; and repair or replacement of energy inefficient heating and cooling systems. Additionally, the funds allow Subgrantees to complete financial audits, household energy audits, outreach and engagement activities, and program administration. Also, the funding provides for state administration and state training and technical assistance activities. The list of Subgrantees and the proposed award amounts are included in the State Plan in section IV.1, Subgrantees. This list of Subgrantees has not been through the Department's Previous Participation Review and the Board is not approving a list of awardees at this time. To the extent that the 2018 funds are greater or less than the amount in the draft plan, the proposed activities and Subgrantee awards will be proportionally adjusted.

The draft plan and details regarding a public hearing for the plan will be posted on the Community Affairs Division's website no later than February 23, 2018. An announcement of the availability of the draft plan and details regarding a public hearing for the plan will be published in the *Texas Register* on March 9, 2018. The Department will conduct a public hearing for the draft plan on March 27, 2018, at Department headquarters.

DOE regulations require a Weatherization Policy Advisory Council be designated in the Plan in order to provide guidance and comment on the plan. The Policy Advisory Council is composed of six individuals appointed by the Department. The Policy Advisory Council meeting is scheduled to occur on March 29, 2018, after the Public Hearing and after general public comment has been received.

The full text of the 2018 Draft DOE State Plan 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 2018 Draft DOE State Plan by contacting Gavin Reid at gavin.reid@tdhca.state.tx.us or by phone at (512) 936-7828.

OMB Number: 4040-004
Expiration Date: 10/31/2019

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

1. Type of Submission:
- [ ] Preapplication
- [x] Application
- [ ] Changed/Corrected Application

2. Type of Application:
- [ ] New
- [x] Continuation
- [ ] Revision

If Revision, select appropriate letter(s)

Other (specify):

3. Date Received

4. Applicant Identifier:

5a. Fed Entity Identifier:

5b. Federal Award Identifier: DE-EE0007952

State Use Only:

6. Date Received by State: 07/01/2018

7. State Application Identifier: TX-W-200

8. APPLICANT INFORMATION:

a. Legal Name: State of Texas

b. Employer/Taxpayer Identification Number (EIN/TIN): 742610542

c. Organizational DUNS: 806781902

d. Address:

Street 1: P.O. BOX 13941

Street 2:

City: Austin

County:

State: TX

Province:

Country: U.S.A.

Zip / Postal Code: 787113941

e. Organizational Unit:

Department Name: Texas Department of Housing and Community Affairs

Division Name: Community Affairs Division

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr

First Name: Michael

Middle Name:

Last Name: DeYoung

Suffix:

Title: Community Affairs Division Director

Organizational Affiliation: Texas Dept. of Housing and Community Affairs

Telephone Number: 5124752125

Fax Number: 5124753935

Email: michael.deyoung@tdhca.state.tx.us

OMB Number: 4040-004
Expiration Date: 10/31/2019

APPLICATION FOR FEDERAL ASSISTANCE SF-424 Version 02

9. Type of Applicant:

A State Government

10. Name of Federal Agency:

U. S. Department of Energy

11. Catalog of Federal Domestic Assistance Number:

81.042

CFDA Title:

Weatherization Assistance Program

12. Funding Opportunity Number:

DE-WAP-0002018

Title:

2018 Weatherization Assistance Program Funding

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Statewide

15. Descriptive Title of Applicant's Project:

Provide Statewide Weatherization Assistance

APPLICATION FOR FEDERAL ASSISTANCE SF-424 Version 02

16.Congressional District Of:

a. Applicant: Texas Congressional District 01   b. Program/Project: TX-Statewide

Attach an additional list of Program/Project Congressional Districts if needed:

17. Proposed Project:

a. Start Date: 07/01/2018   b. End Date: 06/30/2019

18. Estimated Funding ($):

a. Federal	5,480,562.00
b. Applicant	0.00
c. State	0.00
d. Local	0.00
e. Other	0.00
f. Program Income	0.00
g. TOTAL	5,480,562.00

19. Is Application subject to Review By State Under Executive Order 12372 Process?:

- [ ] a. This application was made available to the State under the Executive Order 12372 Process for review on:
- [ ] b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- [X] c. Program is not covered by E.O. 12372

20. Is the applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation)

No

21. By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code Title 218, Section 1001)**

- [ ] I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Mr   First Name: Timothy

Middle Name: K.

Last Name: Irvine

Suffix:

Title: Executive Director

Telephone Number: 5124753296   Fax Number: 5124753858

Email: tim.irvine@tdhca.state.tx.us

Signature of Authorized Representative: **Date Signed:**

OMB Approval No. 0348-0044

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No.	2. Program/Project Title
EE0007952	Weatherization Assistance Program

3. Name and Address	State of Texas P.O. BOX 13941 Austin, TX 787113941	4. Program/Project Start Date	07/01/2018
		5. Completion Date	06/30/2019

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. 2018 WAP Formula Funds	81.042	$ 2,000,000.00		$ 5,480,562.00		$ 7,480,562.00
2. STATE			$ 0.00		$ 0.00	$ 0.00
3.						
4.						
5. TOTAL		$ 2,000,000.00	$ 0.00	$ 5,480,562.00	$ 0.00	$ 7,480,562.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total
	(1) GRANTEE ADMINISTR ATION	(2) SUBGRANTE E ADMINISTR	(3) GRANTEE T&TA	(4) SUBGRANT EE T&TA	(5)
a. Personnel	$ 148,906.00	$ 0.00	$ 158,343.00	$ 0.00	$ 307,249.00
b. Fringe Benefits	$ 37,227.00	$ 0.00	$ 39,586.00	$ 0.00	$ 76,813.00
c. Travel	$ 0.00	$ 0.00	$ 27,720.00	$ 0.00	$ 27,720.00
d. Equipment	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
e. Supplies	$ 2,000.00	$ 0.00	$ 2,004.00	$ 0.00	$ 4,004.00
f. Contract	$ 0.00	$ 511,032.00	$ 22,030.00	$ 806,542.00	$ 6,923,400.00
g. Construction	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
h. Other Direct Costs	$ 4,008.00	$ 0.00	$ 950.00	$ 0.00	$ 4,958.00
i. Total Direct Charges	$ 192,141.00	$ 511,032.00	$ 250,633.00	$ 806,542.00	$ 7,344,144.00
j. Indirect Costs	$ 66,114.00	$ 0.00	$ 70,304.00	$ 0.00	$ 136,418.00
k. Totals	$ 258,255.00	$ 511,032.00	$ 320,937.00	$ 806,542.00	$ 7,480,562.00
7. Program Income	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

OMB Approval No. 0348-0044

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE0007952	2. Program/Project Title Weatherization Assistance Program	
3. Name and Address: State of Texas P.O. BOX 13941 Austin, TX 787113941	4. Program/Project Start Date	07/01/2018
	5. Completion Date	06/30/2019

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		$ 2,000,000.00	$ 0.00	$ 5,480,562.00	$ 0.00	$ 7,480,562.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total
	(1) PROGRAM OPERATION S	(2) HEALTH AND SAFETY	(3) LIABILITY INSURANCE	(4) FINANCIAL AUDITS	(5)
a. Personnel	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 307,249.00
b. Fringe Benefits	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 76,813.00
c. Travel	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 27,720.00
d. Equipment	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
e. Supplies	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 4,004.00
f. Contract	$ 4,350,175.00	$ 1,087,544.00	$ 128,477.00	$ 17,600.00	$ 6,923,400.00
g. Construction	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
h. Other Direct Costs	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 4,958.00
i. Total Direct Charges	$ 4,350,175.00	$ 1,087,544.00	$ 128,477.00	$ 17,600.00	$ 7,344,144.00
j. Indirect Costs	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 136,418.00
k. Totals	$ 4,350,175.00	$ 1,087,544.00	$ 128,477.00	$ 17,600.00	$ 7,480,562.00
7. Program Income	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2018)

IV.1 Subgrantees

Subgrantee (City)	Planned Funds/Units
Alamo Area Council of Governments (San Antonio)	$544,678.00 52
BakerRipley (Houston)	$815,104.00 80
Big Bend Community Action Committee (Marfa)	$118,480.00 8
Brazos Valley Community Action Program (College Station)	$236,703.00 19
Combined Community Action, Inc. (Giddings)	$165,890.00 12
Community Action Committee of Victoria Texas (Victoria)	$217,089.00 17
Community Action Corporation of South Texas (Alice)	$730,410.00 71
Community Council of South Central Texas, Inc (Seguin)	$154,545.00 11
Concho Valley Community Action Agency (San Angelo)	$143,400.00 10
Dallas County Health & Human Services (Dallas)	$525,927.00 50
Economic Opportunities Advancement Corporation (Waco)	$206,328.00 16
El Paso Community Action Program, Project Bravo (El Paso)	$313,085.00 27
Fort Worth, City of (Fort Worth)	$322,006.00 29
Greater East Texas Community Action Program (Nacogdoches)	$606,855.00 59
Hill Country Community Action Association, Inc. (San Saba)	$197,922.00 15
Nueces County Community Action Agency (Corpus Christi)	$131,839.00 9
Panhandle Community Services (Amarillo)	$201,026.00 16
Rolling Plains Management Corporation (Crowell)	$296,018.00 25
South Plains Community Action Association, Inc. (Levelland)	$185,185.00 14
Texoma Council of Governments (Sherman)	$359,112.00 33
Travis County Health and Human Services and Veterans Services (Austin)	$218,345.00 17
West Texas Opportunities (Lamesa)	$199,218.00 16
Total:	**$6,889,165.00** **606**

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

WEATHERIZATION ANNUAL FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2018)

IV.2 WAP Production Schedule

Weatherization Plans	Units
Total Units (excluding reweatherized)	606
Reweatherized Units	0
Note: Planned units by quarter or category are no longer required, no information required for persons.	

Average Unit Costs, Units subject to DOE Project Rules		
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Vehicles & Equipment ($5,000 or more) Budget	$0.00
B	Total Units Weatherized	606
C	Total Units Reweatherized	00
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	606
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	$0.00
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Funds for Program Operations	$4,350,175.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	606
H	Average Program Operations Costs per Unit (F divided by G)	$7,178.51
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	$0.00
J	Total Average Cost per Dwelling (H plus I)	$7,178.51

IV.3 Energy Savings

Method used to calculate savings: ☑ WAP algorithm ☐ Other (describe below)

	Units	Savings Calculator (MBtus)	Energy Savings
This Year Estimate	606	29.3	17756
Prior Year Estimate	439	29.3	12863
Prior Year Actual	162	29.3	4747

Method used to calculate savings description:

IV.4 DOE-Funded Leveraging Activities

N/A

IV.5 Policy Advisory Council Members

☐ Check if an existing state council or commision serves in this category and add name below

Combined Community Action Inc.	Type of organization: Non-profit (not a financial institution) Contact Name: Kelly Franke Phone: (979)540-2985 Email: KJFranke@ccaction.com
Greater East Texas Community Action Program	Type of organization: Non-profit (not a financial institution) Contact Name: Karen Swenson, Executive Director Phone: (936)564-2491 Email: kswenson@sbcglobal.net
Health and Human Services Commission	Type of organization: Unit of State Government Contact Name: Toni Packard Phone: 5124384290 Email: toni.packard@hhsc.state.tx.us

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

WEATHERIZATION ANNUAL FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2018)

IV.6 State Plan Hearings (Note: attach notes and transcripts to the SF-424)

Date Held	Newspapers that publicized the hearings and the dates the notice ran
03/27/2018	Public Hearing for the DOE Plan begins at 5:00 pm (CST).
02/22/2018	Draft plan and Notice of Public Hearing posted on the TDHCA website; public listserve announcement sent announcing availability of plan and public hearing details.
03/28/2018	WAPAC meeting regarding DOE Plan.
04/26/2018	Final DOE Plan and list of awardees to be presented at TDHCA Board of Directors meeting for approval. The meeting will also serve as the final Public Hearing.
03/28/2018	Comment period will end at 5:00 pm (CST).
03/09/2018	Announcement of Public Hearing published in Texas Register. Public comment period begins.
02/22/2018	TDHCA Board of Directors authorizes release of draft plan for public comment.

IV.7 Miscellaneous

Recipient Business Officer
Michael De Young
Michael.deyoung@tdhca.state.tx.us
221 East 11th Street
Austin, Texas 78701
(512) 475-2125

Recipient Principal Investigator
Michael De Young
Michael.deyoung@tdhca.state.tx.us
221 East 11th Street
Austin, Texas 78701
(512) 475-2125

Policy Advisory Council
The Policy Advisory Council ("PAC") is broadly representative of organizations and agencies and provides balance, background, and sensitivity with respect to solving the problems of low-income persons, including weatherization and energy conservation problems. Historically, the PAC has met annually after the public hearing for the DOE plan.

The low-income elderly population is represented by the PAC members from Combined Community Action and the Greater East Texas Community Action Program. The low-income persons with disabilities population is represented by the PAC member from the Health and Human Services Commission.

Liability Insurance
The liability insurance separate line item includes pollution occurrence insurance in addition to the general liability insurance. Most regular liability insurance policies do not provide coverage for potential effects of many heatlh and safety measures, such as lead distrubances and other pollution occurrence items. The Department strongly recommends the Subgrantees require their contractors to carry pollution occurrence insurance to avoid liability for any mistakes the contractors may make. Each Subgrantee should get a legal opinion regarding the best course to take for implementing the pollution occurrence insurance coverage.

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2018)

This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

V.1 Eligiblility

V.1.1 Approach to Determining Client Eligibility

Provide a description of the definition of income used to determine eligibility

Applicants whose income is at or below 200% of the Federal Poverty Income Guidelines are eligible for the DOE Weatherization Program.

Describe what household Eligibility basis will be used in the Program

During the LIHEAP application process, households will be screened for DOE Weatherization benefits and determined eligible if their income is at or below 200% of the Federal Poverty Income Guidelines.

Describe the process for ensuring qualified aliens are eligible for weatherization benefits

The Welfare Reform Act, officially referred to as the Personal Responsibility and Work Opportunity Act of 1996, H.R. 3734, placed specific restrictions on the eligibility of aliens for "Federal means-tested public benefits" for a period of five years. As defined in a Federal Register notice dated August 26, 1997 (62 FR 45256) the Department of Health and Human Services (HHS) is interpreting "Federal means-tested public benefits" to include only those benefits provided under Federal means-tested, mandatory spending programs. HHS Information Memorandum LIHEAP-IM-25 dated August 28, 1997, states that all qualified aliens, regardless of when they entered the U.S., continue to be eligible to receive assistance and services under the Low-Income Home Energy Assistance Program (LIHEAP) if they meet other program requirements.

To ensure program continuity between LIHEAP and DOE Weatherization for the many Subgrantees operating both programs, the DOE Weatherization Assistance Program will follow the interpretation as adopted by HHS. A possible area of confusion resides in the types of local agencies that are exempt/nonexempt from "status verification requirements." Local agencies that are both charitable and nonprofit would be exempt, which comprise about three-quarters of the local agency network. However, those agencies which are designated as local government agencies operating the Weatherization Assistance Program and do not subgrant eligibility determination to a qualified nonprofit organization would not be exempt and, therefore, must conduct "status verification." WAP Subgrantees that are not exempt shall use the Systematic Alien Verification for Entitlements (SAVE) system to verify the status of qualified aliens that apply for weatherization services. The Department has provided training to those entities required to use the SAVE system.

The DOE and LIHEAP WAP are in compliance with **LIHEAP-IM-99-10 issued June 15, 1999 states that weatherization in a multifamily building is not a covered activity for status verification.**

V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

Subgrantees maintain a client file for each unit weatherized, including documented proof that the dwelling unit is an eligible dwelling unit as defined in 10 CFR §440.22. The Department determines that weatherized units have eligibility documentation during monitoring reviews.

Describe Reweatherization compliance

Texas limits reweatherization to 5% of all units weatherized. To ensure the cap is not exceeded, Subgrantees may not reweatherize a unit without prior approval from the Department.

Reweatherization will be allowed on units that have received weatherization prior to September 30, 1994. A new energy audit must be conducted on each unit reweatherized.

Describe what structures are eligible for weatherization

10 TAC §6.403 includes the following definitions which describe structures eligible for weatherization:

Dwelling Unit--A house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters.

Multifamily Dwelling Unit--A structure containing more than one Dwelling Unit.

Rental Unit--A Dwelling Unit occupied by a person who pays rent for the use of the Dwelling Unit.

Shelter--A Dwelling Unit or units whose principal purpose is to house on a temporary basis individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.

Describe how Rental Units/Multifamily Buildings will be addressed

In accordance with 10 CFR §440.22(b)(3), the Department requires that Subgrantees keep on file procedures that address protection of renters' rights, to ensure:

- Written permission of the building owner or his agent before commencing work.
- Cash/in-kind contribution from building owner when feasible.
- Benefits of the services accrue primarily to the low-income tenants residing in such units.
- For a reasonable period of time after completion, the household will not be subjected to rent increases (unless those increases are demonstrably related to other matters other than the weatherization work performed).
    - There are adequate procedures whereby the Grantee can receive tenant complaints and owners can appeal, should rental increases occur.
- No undue or excessive enhancement shall occur to the value of the dwelling unit.
- To secure the federal investment and to address issues of eviction from and sale of property, per 10 CFR §440.22(c), Grantees may seek landlord agreement to placement of a lien (or other contractual restrictions) upon the property being weatherized.

The Department will abide by 10 CFR §440.22, ensuring that not less than 66% of the eligible building units (50% for duplexes and four-unit buildings, and certain eligible types of large multifamily buildings) are eligible units or will become eligible dwelling units within 180 days under a Federal, State or local government program for rehabilitating the building or making similar improvements. WPN 016 provides guidance on Department of Housing and Urban Development ("HUD") and Department of Agriculture ("USDA") multifamily buildings that have been pre-determined to meet income eligibility guidelines. WPN 016 provides guidance on the review and verification required for those buildings. Assessments and client file documentation for rental units and multifamily units are also detailed in the Multifamily Weatherization Best Practice posted on the Department's website at http://www.tdhca.state.tx.us/community-affairs/wap/docs/WAP-BP-MFWeatherization.pdf.

Because large multifamily buildings have different audit requirements, Subgrantees must obtain prior written approval through the Department to use the 50% eligibility, and DOE must approve the proposed activity. The Department will seek DOE approval.

Describe the deferral Process

A Dwelling Unit shall not be weatherized when there is a potentially harmful situation that may adversely affect the occupants or the Subgrantee's weatherization crew and staff, or when a Dwelling Unit is found to have structural concerns that render the Dwelling Unit unable to benefit from weatherization. The Subgrantee must declare their intent to defer weatherization on an eligible unit on the assessment form. The assessment form must include the client's name and address, dates of the assessment, and the date on which the client was informed of the issue in writing. The written notice to the client must include a clear description of the problem, conditions under which weatherization could continue, the responsibility of all parties involved, and any rights or options the client has. A copy of the notice must be given to the client, and a signed copy placed in the client application file. Only after the issue has been corrected to the satisfaction of the Subgrantee shall weatherization work begin.

If structural concerns or health and safety issues identified (which would be exacerbated by any weatherization work performed) on an individual unit cannot be abated within program rules or within the allowable WAP limits, the unit exceeds the scope of this program.

Should a client request a second opinion on a deferral or walk-away, the Subgrantee is encouraged to contact the appropriate local government inspector to request an inspection of the site. Should the client refuse to have a local government inspector inspect the unit, the crew will note the refusal in the client file, and no work shall be performed on the unit. If the inspector deems that work pending deferral can or should be performed, crews/contractors and contractors are encouraged to work with the inspector's suggestions to make the improvements. However, the inspector does not make the final determination on the amount of work, cost of work, or measures applied to the unit. Should the Subgrantee deem the suggested measures to be financially or programmatically out of the scope of weatherization, the Subgrantee may defer the weatherization work on the unit. Documentation of this determination, whether the weatherization is completed or not, must be included in the client file.

Crewmembers or contractors who work on a unit that could or should be a deferral or walk-away do so at their own risk.

V.1.3 Definition of Children

Definition of children (below age): **18**

V.1.4 Approach to Tribal Organizations

☐ Recommend tribal organization(s) be treated as local applicant?

If YES, Recommendation. If NO, Statement that assistance to low-income tribe members and other low-income persons is equal.

The 70th Texas Legislature created the Native American Restitutionary Program (Oil Overcharge Restitutionary Act, Texas Government Code, Chapter 2305) for the purposes of providing oil overcharge restitution to the Texas Native Americans. In the Texas WAP, the Native-American Indian population is treated and served in the same manner as other applicants.

V.2 Selection of Areas to Be Served

The Texas WAP is available to eligible low-income households in all 254 counties of the state. Subgrantees are held responsible for all intake, eligibility, and weatherization activities. If the Subgrantees' performance record is satisfactory according to both state and federal regulations, then the Department may offer to renew the contract if the Subgrantee so desires. The Department's award committee may decline to recommend an award or place additional conditions on an award based upon its previous participation review as outlined in 10 TAC §1.302.

New or additional DOE subgrantees for counties that become unserved by the DOE WAP will be selected according to DOE regulations found in 10 CFR§440.15 and 10 TAC §1.302. If the Department determines it is necessary to permanently reassign a service area to a new subgrantee, the subgrantee will be chosen in accordance with 10 CFR §440.15. A new or additional subgrantee is defined as a CAA or other public or nonprofit entity that is not currently operating a Department-funded Weatherization Assistance Program. All counties are served by 22 existing entities.

(The Department may deobligate all or part of the funds provided under this contract as outlined in 10 TAC §6.405. A Subgrantee's failure to expend the funds provided under this State plan in a timely manner may also result in the Subgrantee's ineligibility to receive additional funding during the program year.)

Formula Distribution

The Department updates the budget allocation proportion by county and Subgrantee based on poverty income, elderly poverty, median household income (from the 2010 U.S. Census data), and climate data (from the National Climatic Data Center, Climate Normals, 2010), as outlined in 10 TAC §6.404.

The Department allocates funds to Subgrantees by applying a formula based upon the DOE allocation for program year; or if the allocation amount is not known, based on an assumption of level funding from the previous program year. Once the allocation amount is known, the formula is re-run. The allocation formulas reflect the 2010 Census data. If any carryover funds are available, they will be distributed by allocation formula and used to increase the number of units to be weatherized. The Department will adjust guidance to reflect the adjusted average expenditure limit per unit for the program year.

The fund allocations for individual service areas are determined by a 5-factor distribution formula as outlined in 10 TAC §6.404:

(1) Number of non-elderly poverty households per county;
(2) Number of elderly poverty households per county;
(3) Median income variance per county;
(4) Inverse poverty household density ratio per county; and

(5) Heating/Cooling Degree days per county.

V.3 Priorities for Service Delivery

The Department will ensure by contract that its Subgrantees give priority to weatherizing dwellings owned or occupied by low-income persons who are particularly vulnerable such as the Elderly, Persons with Disabilities, Families with Young Children, Households with High Energy Burden, and Households with High Energy Consumption. Applicants from these groups must be placed at the top of a Subgrantee's waiting list. The Department ensures that Subgrantees give proper attention to these requirements through monitoring/evaluation of the Subgrantee.

V.4 Climatic Conditions

The climatic conditions for the State of Texas are imbedded in the algorithms of the Weatherization Assistant (WA 8.9) energy audit software toll engineered by the Oak Ridge National Laboratory for the Department of Energy. As part of the energy audit modeling, the Department requires the Subgrantee Network to select the nearest weather station to the dwelling units. The Weather files imbedded in the WA 8.9 contains 30 year data of Heating and Cooling degree days for each weather station.

As described in the report prepared by the Pacific Northwest National Laboratory & Oak Ridge National Laboratory for the Department of Energy, the state of Texas has several IECC climate zones. http://apps1.eere.energy.gov/buildings/publications/pdfs/building_america/ba_climateguide_7_1.pdf. These climate zones are used as an aid in helping Subgrantees to identify the appropriate climate designation for the counties in which they are providing WAP services. In addition to prescribing appropriate mechanical equipment (example of climate specific measures would be evaporative cooling which may be prescribed in the Hot Dry climate of Texas and not in the Mixed Humid part of Texas) the IRC prescriptive thermal envelope of measures are different. The climate zones found in Texas are as follows:

1. Hot-Humid

A hot-humid climate is defined as a region that receives more than 20 inches (50 cm) of annual precipitation and where one or both of the following occur:

- A 67°F (19.5°C) or higher wet bulb temperature for 3,000 or more hours during the warmest six consecutive months of the year; or
- A 73°F (23°C) or higher wet bulb temperature for 1,500 or more hours during the warmest six consecutive months of the year.

IRC Prescriptive Thermal Envelope Measures:

	Zone 2A and 2B	Zone 3A
Ceiling	R 38	R38
Windows	U 0.40	U 0.35
Walls	R-13	R-13 + 5
Floors	R – 13	R 19
SHGC	0.25	0.25

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2. Hot-Dry

A hot-dry climate is defined as a region that receives less than 20 inches (50 cm) of annual precipitation and where the monthly average outdoor temperature remains above 45°F (7°C) throughout the year.

IRC Prescriptive Thermal Envelope Measures:

Zone 3A and 3B	
Ceiling	R38
Windows	U0.35

Walls	R13 + 5
Floors	R 19
SHGC	.025

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3. Mixed-Humid

A mixed-humid climate is defined as a region that receives more than 20 inches (50 cm) of annual precipitation, has approximately 5,400 heating degree days (65°F basis) or fewer, and where the average monthly outdoor temperature drops below 45°F (7°C) during the winter months.

IRC Prescriptive Thermal Envelope Measures:

Zone 3A

Ceiling	R38
Windows	U 0.35
Walls	R13 + 5
Floors	R 19
SHGC	.025

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4. Mixed-Dry

A mixed-dry climate is defined as a region that receives less than 20 inches (50 cm) of annual precipitation, has approximately 5,400 heating degree days (50°F basis) or less, and where the average monthly outdoor temperature drops below 45°F (7°C) during the winter months.

IRC Prescriptive Thermal Envelope Measures:

Zone 4

Ceiling	R49
Windows	U 0.35
Walls	R13 + 5
Floors	R 19

In addition to the 2015 IRC adopted by the State of Texas, several individual cities have adopted amendments to the code. The adoption and amendments to the 2015 IRC impact the WA 8.9 energy audits in that cities are required to evaluate user defined measures to meet the codes adopted by each individual City.

V.5 Type of Weatherization Work to Be Done

V.5.1 Technical Guides and Materials

Technical Guides and Materials

http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm

Weatherization Tools and Guides

- WAP Production Schedule/Tool (XLS) – Revised 12.30.16
- Weatherization Assistance (NEAT) – Student Guide (PDF) - Revised 11.9.15
- Single-Family Homes: Standard Work Specifications Field Guide (PDF)
- Manufactured Housing: Standard Work Specifications Field Guide (PDF)
- Weatherization FAQs Answered by TDHCA (PDF) – Revised 10.20.17
- DOE-WAP Timeline (PDF) Revised 10.30.15
- LIHEAP-WAP Timeline (PDF) Revised 10.30.15
- Material Installation Standards Manual (2012) (PDF)
- Weatherization Field Guide (2010)
- Mechanical Systems Field Guide (2010)
- Exhaust Fan Flow Meter Quick Guide (PDF)

- International Energy Conservation Code (IECC) Requirements (energycode.pnl.gov)
- Weatherization Reporting Instructions
- Weatherization Monthly Performance Report
- LIHEAP Performance Measures Module User Guide (PDF)
- Checking WAP Reports

Program Administration Forms

- DOE Budget Amendment Form (XLS)
- LIHEAP Budget Amendment Form (XLS)
- WAP Inventory List: Tools and Equipment (DOC fillable)
- Quality Control Inspection (QCI) Form

Assessment Calculators

- AC Replacement Calculator (XLS)
- Degradation Calculator (XLS)
- Refrigerator Replacement Calculator (XLS)
- Sidewall Density Calculation Sheet (XLS)
- ASHRAE 62.2 Calculator (www.residentialenergydynamics.com)

Client and Field Assessment Forms

- QCI Final Inspection Certification Form (PDF)
- Health & Safety Client Questionnaire & Inspection Checklist (PDF)
- LIHEAP Priority List (PDF) – Revised January 2017
- Blower Door and Duct Blower Data Sheet (XLS)
- Unified Notification Form (PDF) – Revised July 2011
- Mold-Like Substance Notification and Release Form (PDF)
- Consumer Mold Information Sheet (PDF)
- Whole House Assessment Sheet (XLSX)
- Refrigerator Replacement Form (DOC fillable)
- Landlord Permission to Perform Assessment (PDF)
- Multi-Family Project Preparation/Completion Checklist (PDF)
- Wall/Attic Inspection Form (XLS)
- Building Weatherization Report (BWR) (XLS) – Revised January 2017

Further, the Department has several Weatherization Best Practices posted at: http://www.tdhca.state.tx.us/communityaffairs/wap/wapbestpractices.htm.

Best Practices are developed based upon repeat questions that require more clarity than simply an FAQ. These have proved highly effective in multiple ways: increased compliance, better understanding on how to assess and proceed, increased consistency across the Network, and reduction in calls for same issues. They often have multiple references and are based upon sound building science principles.

All Subrecipient agreements and vendor contracts active in PY 2015 and beyond contain language which clearly documents the SWS specifications for work quality outlined in WPN 154, Section 2. A signed contract shall confirm that the organization understands and agrees to these expectations. Each contract includes a substantially equivalent clause or exhibit:

Materials and Work Standards

A. Subrecipient shall weatherize eligible dwelling units using only weatherization materials which meet or exceed the standards prescribed by DOE in Appendix A of 10 CFR Part 440.

B. All weatherization measures installed shall meet or exceed the standards prescribed by DOE in Weatherization Program Notice (WPN) 15-4 regarding Standard Work Specifications, as detailed in the Department's Standard Work Specifications.

C. All weatherization work must be performed in accordance to the DOE approved energy audit procedures, 10 CFR Part 440 Appendix A, State of Texas adopted International Residential Code (or that of jurisdictions authorized by State law to adopt later editions).

Subgrantee will include the substance of this section in all subcontracts

V.5.2 Energy Audit Procedures

Audit Procedures and Dates Most Recently Approved by DOE

Single-Family :	NEAT: DOE Approved June 2, 2016
Manufactured Housing :	MHEA: DOE Approved June 2, 2016
Multi-Family :	NEAT: 5-24 individually heated and cooled units - DOE Approved June 2, 2016

Comments

V.5.3 Final Inspection

The Department has provided Subgrantees with sufficient T&TA funding to obtain and/or maintain required QCI and MF-QCI certifications by an IREC certified training provider. The Department tracks Subgrantee compliance with unit inspection requirements of WPN 15-4.

The Department has four certified QCI staff, who maintain their certifications. The Department annually requires all Subgrantees to report the following for determining the number of units that the Department will inspect for compliance at each agency:

- Option 1 (at minimum 5% compliance final inspection required)= With multiple QCI staff, this Subrecipient will NOT allow the QCI staff member who conducts the Final Inspection on any/every DOE-funded/reported unit to perform any other aspect(s) associated with that same unit.
  Example: Initial Assessment; NEAT Audit; Work Order; etc
- Option 2 (10% compliance final inspection required)= With limited QCI staff, this Subgrantee will have a QCI staff member conduct the Final Inspection on any/every DOE-funded/reported unit AND will also perform other aspect(s) associated with that same unit.
  Example: Initial Assessment; NEAT Audit; Work Order; etc
- Option 3 (5% compliance final inspection required) = This Subgrantee typically has an independent third-party QCI contractor.
- **NOTE:** As scheduling permits, compliance will conduct 10% final inspections on completed units for Options 1 and 3, as well.

Six Subgrantees have multiple QCI Staff with separation of duties, twelve have limited QCI, and four are using third-party QCIs. All units are inspected by a certified QCI. In addition to final inspections, a completed QCI Final Inspection Certification Form is required. QCI Final Inspection Certification Form (PDF).

The Network is required to follow work standards as per the SWS guidelines. This requirement is within Subgrantee contracts, and the SWS guide is posted on the Department Program Guidance Webpage.

All units must meet DOE requirements and pass a QCI inspection. Any unit that fails to be brought into compliance results in disallowed costs and a finding for the reason(s) of the disallowed cost is issued in the monitoring report. The initial T&TA response to any findings is email guidance providing resources to resolve the findings by the training team. This is then followed by individualized T&TA, or a referral to the appropriate Tier 1 training provider, as deemed appropriate.

V.6 Weatherization Analysis of Effectiveness

Pursuant to 10 TAC, Chapter 1, Subchapter C, §1.302, a review of a Subgrantee's compliance history in Department programs must be approved by the Department's Executive Award and Review Advisory Committee ("EARAC") and provided to the Department's Board of Directors in order that the Board may consider the compliance history and make and document its award decisions with full knowledge of these matters. Prior to the award of DOE funds to any Subgrantee, EARAC reviews:

1. Summary information regarding findings identified during the last three years; and
2. If the Subgrantee is subject to the requirement of an annual single audit:
   A. A report of any required single audit or single audit certification form that is currently past due; and
   B. If such single audit has been submitted and the most recent single audit report contained findings, a copy of that single audit.

The Subrecipient Monitoring section, within the Compliance Division, submits information regarding its monitoring activity to EARAC. If EARAC finds that a Subgrantee has outstanding monitoring issues, their WAP award may be subject to conditions intended to avoid future noncompliance.

Issues identified during this review point to areas in a Subgrantee that require attention, both from a monitoring standpoint and a T&TA standpoint. The reviews not only hold the Subgrantee accountable, they also give the monitoring and T&TA sections guidance in planning future activities.

T&TA staff is copied on all monitoring reports and/or a staff meeting is held for monitors to debrief T&TA staff after each visit. In those meetings, monitoring staff relay issues found related to individual Subgrantee, as well as, overall trends identified. Following the monitoring report, T&TA staff provide initial email to Subgrantee to provide resources for identified issues. T&TA staff applies debrief information when determining the needs for agency-wide specific T&TA and to plan the curriculum for regional trainings.

Further, Subgrantee performance is reviewed periodically and at the end of the program year. The Department tracks Subgrantee performance over time by reviewing their monthly production and expenditure reports. T&TA staff review the reports submitted by a certain number of Subgrantee's and plans activities and the provision of T&TA when necessary. Analysis of reports includes the following:

- Number of homes completed;
- Number of applications pending;
- Number of homes in progress;
- Contract amount;
- Total funds expended;
- Balance of funds; and
- Special comments

V.7 Health and Safety

Attached to SF-424

V.8 Program Management

V.8.1 Overview and Organization

The Department is the state's lead agency responsible for affordable housing and community assistance programs. The Department annually administers funds derived from mortgage revenue bond financing and refinancing, federal grants, and federal tax credits.

In 1991, the 72nd Texas Legislature created the Department. The Department's enabling legislation combined programs from the Texas Housing Agency, the Community Development Block Grant Program from the Texas Department of Commerce, and the Texas Department of Community Affairs.

On September 1, 1992, two programs were transferred to the Department from the Texas Department of Human Services: the Low Income Home Energy Assistance Program and the Emergency Nutrition and Temporary Emergency Relief Program. Effective September 1, 1995, in accordance with House Bill 785, regulation of manufactured housing was transferred to the Department. In accordance with House Bill 7, effective September 1, 2002, the Community Development Block Grant and Local Government Services Programs were transferred to the newly created Office of Rural Community Affairs. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA. As a state agency, the Department is under the authority of the Governor of the State of Texas.

The Department's services are offered through three program categories: Single Family Programs, Multifamily Finance Production, and Community Affairs, which administers the WAP.

The Department subcontracts with a network of Subgrantees that provide the WAP services. The network is comprised of community action agencies (CAAs), regional Councils of Government (COGs), and organizations in the other public or private nonprofit entity category (PPNPs). All network Subgrantees are provided a draft copy of the yearly weatherization state plan and a notice of the state public hearing. The Public and all Subgrantees are invited and encouraged to participate in the public comment process.

Historically, the regular weatherization program year ran from April through March. Starting PY 2015, the weatherization program year has run from July through June.

The Department will continue to administer the program through Subgrantees in accordance with 10 CFR §440.15 provisions and State regulations. If existing Subgrantees are successfully administering the Program, the Department will offer to renew the contract if the Subgrantee so desires and if grant funds are available. When the Department determines that an organization is not administering the program satisfactorily, it may take the following action:

-Correction of the problem(s) with training or technical assistance;
-Re-assignment of the service area (or service area portion) to another Department existing Subgrantee; or,
-Solicitation or selection of a new or additional Subgrantee in accordance with 10 CFR §440.15 provisions.

A new or additional Subgrantee is defined as a CAA or other public or nonprofit entity that is not currently operating a DOE Weatherization Assistance Program.

Consolidation/downsizing: Any downsizing will occur through normal attrition, through a Subgrantee's determination that it can no longer administer the program efficiently/effectively, or through the Department's determination that a Subgrantee can no longer administer the program efficiently/effectively.

Reassignment of service areas for just cause: In the event that a service area can no longer be served by a Subgrantee, the Department reserves the right to reassign service areas. If it appears necessary to permanently reassign the service area, a new Subgrantee may be chosen in an open, competitive solicitation process in accordance with 10 CFR §440.15 or the reassignment may become permanent.

Client Education
The Department requires WAP Subgrantees to provide client education to each WAP client. Subgrantees are required to provide (at a minimum) educational materials in verbal and written format.

V.8.2 Administrative Expenditure Limits

The Department will use 5% of its grant funds for state administration. An additional 5% will be distributed for local WAP field operations under contract. Contract funds are intended for local administration, liability insurance coverage, local fiscal audit, materials, labor, program support and health and safety measures. To help ensure that Subgrantees comply with the full and proper use of all the contract funds, written definitions are to be provided to Subgrantees on budget categories as deemed necessary. The Department has elected to provide the maximum allowable funds for Subgrantee administration to Subgrantees receiving less than $350,000, so it has not included procedures for deciding which Subgrantees will receive additional funds. This decision is based on the following factors:

- Subgrantees often have to rely on other programs for WAP outreach and other administrative support;
- Subgrantees have had to adjust budgeting to keep pace with cost-of-living increases -- staff salaries, fringe benefits, rent, postage, travel, etc.;
- The State of Texas is 877 miles from Northern to Southern tips, 834 miles from Eastern to Western tips, and is comprised of a total of 266,807 square miles. The extra geography that Subgrantees have to cover to serve all the area's clients equitably requires additional staff, staff time, postage and phone costs, and vehicle wear and maintenance. (Source of Mileage Data: Texas Department of Transportation);
- Salaries, space, utilities, telephone, and similar costs associated with program support personnel should be charged to program support; and
- The increasing cost of maintaining appropriate qualified staff is challenging.

For Subgrantees receiving over $350,000, the administrative allowance will be 5% of each subgrant. For Subgrantees receiving less than $350,000, the administrative allowance will be 10% of each subgrant.

V.8.3 Monitoring Activities

The Department will monitor the Weatherization Assistance Program (“WAP”) with the Monitoring staff included in the budget. Subgrantee is defined as an organization with whom the Department contracts and provides WAP funds.

Names and credentials of Department staff dedicated to monitoring DOE activities follow. Monitoring staff are paid out of Grantee Administration and the Grantee T&TA (see the Budget Explanation, Personnel line item, for detailed information on the percentages allocated from each budget category.

- Robert Moore - over 8 years of weatherization experience as a Texas WAP Subgrantee, QCI certified, BPI & Lead certified, OSHA30
- Robert Kunz - over 7 years of weatherization experience as a Texas WAP Subgrantee, QCI certified, BPI & Lead certified, OSHA30
- Kevin Glienke – over 6 years of weatherization monitoring experience; BPI Certified; has attended DOE sponsored conferences; QCI certified.

(All staff listed above conduct fiscal/administrative and technical assistance monitoring activities)

Complance Subrecipient Monitoring is stafffed with nine additional monitors not dedicated to weatherization. All of these qualified monitors may be tasked with fiscal and programmatic activities though funds provided by this State plan.

The Department will monitor each of the DOE Subgrantees during the contract period which will be July 1, 2018 through June 30, 2019. Many of the DOE Subgrantees also receive funds through the Department of Health and Human Services Community Service Block Grant and Low Income Home Energy Assistance Program. Whenever possible, all three programs will be monitored during one visit to the Subgrantee.

(See attached PY2018 Tentative Monitoring Schedule)

The Department understands DOE's expectation and will conduct at least one on-site visit annually to each Subrecipient for technical and fiscal/administrative monitoring.

Financial and Administrative monitoring will include, at minimum, a review of the Subgrantee's General Ledgers and policies and procedures (including procurement) as well as support documentation for reported expenditures. These documents will be reviewed to ensure compliance with DOE, Department and other applicable rules and regulations. Through sampled client file monitoring, the Department will ensure that program beneficiaries are eligible low-income families. Through sampled unit inspections, Department staff will ensure that installed measures are allowable and meet or exceed DOE requirements. The Department will review whether charged measures were installed properly and determine compliance with health and safety procedures, client eligibility, energy audit procedures, client education procedures and compliance with the SWS.

The Department will inspect 5% of all completed weatherized units. In order to achieve the 5% inspection rate, and comply with the requirements of WPN 15-4, the Department is requesting that Subgrantees with a QCI on staff do not have that staff member involved with the weatherized unit prior to final inspection. The Department defines prior involvement as performing the audit, creating the work order or performing any weatherization work on the weatherized unit. The Department has created a QCI Final Inspection Form, for Subgrantees which will allow TDHCA to determine if a QCI employed by the Subgrantee had prior involvement with that unit. The Department will review each sampled QCI final inspection document to ensure compliance with the requirement to inspect 5% and will increase the required inspections if necessary.

The Department recognizes that there may be a need to perform additional unit inspections towards the end of the contract period to comply with the requirements of WPN 15-4 if there were not enough units available to sample during the full monitoring review.

(More frequent monitoring visits (Fiscal/Administrative and/or Technical) may be conducted at Subgrantees with significant identified risk)

Monitors will complete evaluation instruments to determine a Subgrantee's compliance. The instruments cover Financial and Administrative requirements, health and safety procedures, client eligibility, energy audit procedures, client education procedures, and compliance with the SWS. Compliance Monitors also review the hard copy of the NEAT or MHEA audit which is required to be in the client file to assure that the scope of the work was directed by the audit.

Monitors scan documents as support if there will be findings noted.
The following list provides additional monitoring details that may occur during the monitoring review.

- Monitors may request copies of fiscal records/support documentation and perform a desk review to gauge the fiscal condition of the Subgrantee prior to onsite monitoring.
- In addition, as needed, monitors may perform a desk review of records requested but not provided during the onsite review and records requested to clarify issues identified during the onsite monitoring visit. The Department recognizes the requirement to issue monitoring letter within 30 days of the review. The Department does not consider the review complete until receipt of information needed to ascertain compliance. Monitoring letters will be issued within 30 days of receipt of all necessary information.

The Department will issue monitoring reports within 30 days of completion of the review. Subgrantees are provided a 30 day corrective action period to respond and provide evidence of correction. On a case by case basis, the Department may grant an extension to respond to the report if there is good cause and the request is made during the corrective action period. The Department will review each response and determine if the Subgrantee has resolved the compliance issue. If the Department determines that the issue is not resolved, the Subgrantee will be notified and required to submit an additional response(s) until the compliance issue is resolved. In certain circumstances, the Department may “close” a compliance issue when there remain no additional actions that can be taken to resolve the issue. At the conclusion of this process, any unresolved compliance issues will be reported to DOE (instances of suspected fraud or serious program abuse will be reported immediately to DOE and the Texas State Auditors Office).

The Department will review the annual financial audits of each Subgrantee agency. The Department requires each Subgrantee to complete an Audit Certification form within 60 days of the end of the entity’s fiscal year. This is used to determine if a Single Audit is required. All single audits and management letters must be uploaded to the Federal Clearinghouse within nine months of the Subgrantee's fiscal year end. Upon receipt of the Single Audit, a review is completed to determine if the packet submitted is complete and all opinions are provided. If the audit contains findings, they are reviewed and discussed by the Director if Internal Audit, the Chief of Compliance and staff to determine the appropriate steps to ensure the entity corrects the issues identified in the audit report or management letter. The Department issues correspondence to the entity, identifying that corrective action measures must be performed and requiring that support documentation be provided. The entity is provided a time frame to complete the corrective action and to respond to the correspondence. The entity must correct all identified issues within six months of the Single Audit being submitted to the Federal Clearinghouse.

The Department’s Compliance Monitor(s) keep abreast of the required timeframe for the entity to complete the corrective action and to provide the response. When the response is received, the Department reviews the documentation to determine if the corrective action requirements have been met. If the issues have not been corrected, the Compliance Monitor and/or Compliance Subrecipient Monitoring Director will notify the Chief of Compliance. The Chief of Compliance may determine if the matter should be referred to the Department’s Enforcement Committee in accordance with Department Rules and standard operating procedures. During the next monitoring visit to the entity, the Department will determine if the selection of expenditures or materials reviewed reflect compliance with the respective requirement.

1. Program Oriented Management Training – Prior to continuing any weatherization-related program activity, all Subgrantee staff that perform any action related to the WAP will be required to complete Program Oriented Management Training ("POM"). POM will include:

A. Review of WAP statutes and rules

B. Review of state program requirements

C. Review of financial and administrative best practices

D. Review of program best practices

2. Intensive Training and Technical Assistance – Once POM is completed, Subgrantee staff will receive training on critical program components. At each stage of Intensive T&TA, TDHCA team members will provide one-on-one guidance to Subgrantee staff to ensure the correct completion of each component. At the end of Intensive T&TA, Subgrantee staff will have completed another step toward completion a weatherized unit.

A. Client file documentation

B. Payment and reimbursement documentation

C. Accompanied unit assessment

D. Accompanied Audit completion

E. Accompanied Interim construction walk-through

F. Accompanied Final inspection

3. Staged Program Operation – When Subgrantee staff has completed Intensive T&TA, the Subgrantee will complete a pre-determined number of client intakes. Once the client intakes are completed, TDHCA team members will review the ensuing steps of the weatherization process in the following steps:

A. Review of the client file documentation

B. Review of unit assessments

C. Review of audit input and completion to work order

D. Accompanied final inspection

Once the Subgrantee has completed the determined number of units and the units have passed TDHCA monitoring, the Subgrantee will resume normal operations for the remainder of the program year. The Subgrantee will be reviewed in April of each year for determination of continued funding.

If it is determined that the Subgrantee is not able to administer the weatherization program, the Department will follow the requirements in 10 TAC §2.202 Contract Closeout.

V.8.4 Training and Technical Assistance Approach and Activities

The Department provides Subgrantees with sufficient T&TA funding to obtain and/or maintain required certifications; such as: QCI, MF-QCI, Building Analyst/Energy Auditor, Lead Safe Renovator, Lead Safe Worker, and OSHA 10 or 30. All training provided includes requirements for compliance with QWP specifications. The Department will conduct trainings based upon the following:

- Grant Requirements or as directed by DOE monitor or audit reports.
- Subgrantee Request. The Department has an online request system, with a T&TA menu list, or section for the Subgrantee to make a specific request or ask specific questions. The Department will contact the requestor and customize training to meet the need. https://tdhca.wufoo.com/forms/request-for-ca-program-assistance
    - In addition, submitted questions or requests are reviewed for creating FAQs or to identify topics for regional trainings, workshops, or individualized training.
- Monitor Reports. The Department's compliance team shares monitoring issues with the training team. The training team will initially provide resources and guides to address any findings, and follow up with T&TA as required.
    - Trends across the Network will be addressed in regional trainings or workshops.
- Management Request. Management may make a specific request and dictate the type of training needed.

Tier 1 Training:

Tier 1 training will be provided by accredited IREC training providers. Tier 1 Training will continue along with ongoing training to maintain skills and certifications. When federal requirements dictate Energy Auditor (EA) certifications they will be required. The Department will be requiring all Subgrantees to ensure their contractors receive other Tier 1 trainings, as needed. Each subcontractor for whom DOE funds are used to provide training for the certification, will be required to enter into a retention agreement with the Subgrantee.

The Department has four certified QCI staff who monitor and/or train weatherization Subgrantees on quality weatherization work, proper diagnostics, documentation, and compliance. The Department has a certified BPI Proctor who administers exams for QCI and MF-QCI. The Department continues to provide T&TA to assist Subgrantees in preparing for and obtaining required certifications. The Department created an online Web-page dedicated to Quality Work Plan requirements that contains guidance and resources. http://www.tdhca.state.tx.us/community-affairs/wap/quality-work-plan.htm

In 2017, the Department provided a Mobile Home Insulation course by Cal Steiner, via a regional series. Department T&TA staff provided a Managment course, using a Learning Communities format that covered: production, procurement, cost allocation contractors, SWS, documentation, inventory, assessments, QCI, and required diagnostics.

NOTE: New Mexico Energy Smart Academy recently partnered with a local Subrecipient to provide IREC certified courses in Texas including MFQCI and Energy Auditor.

Tier 2 Training:

Tier 2 training will be provided by Department training and technical assistance staff or its designee. With experience as Program Officers and Trainers, the staff has experience in Subgrantee monitoring, unit assessments, audits, materials installation, inspections, and the training and technical assistance that support each. The staff consists of:

- Laura Saintey – 10+ years experience in the construction industry and 6+ years experience in the WAP. Certified QCI, LeadSafe Renovator, OSHA 10, BPI Building Analyst Professional, BPI Certified Proctor, and attended DOE sponsored conferences.
- Jason Gagne- 2+ year experience in the WAP, BPI Building Analyst, Lead certified, OSHA 10, and attended DOE sponsored conferences.
- Kevin Glienke- 7+ years in weatherization monitoring and training, BPI certified, QCI, MF-QCI, and attended DOE sponsored conferences.
- Robert Moore- 8+ years of weatherization experience as a Texas WAP Subgrantee, QCI certified, BPI & Lead certified, OSHA 30 and attended DOE

sponsored conferences.

- Robert Kunz- 7+ years of weatherization experience as a Texas WAP Subgrantee, QCI certified, BPI & Lead certified, OSHA 30 and attended DOE sponsored conferences.

In 2017, T&TA staff provided regional training to weatherization staff across the Network on proper diagnostics, Mobile Home Insulation and Weatherization Management training.

QCI testing was performed by the Department's BPI proctor.

Training Schedule 2018:

Quarterly Phone Calls. Agendas will be evaluated for topics based upon need and identified areas of concern. Topics may include:

- Program Ramp-Up
- Production Schedules
- Upcoming training dates
- Relevant topics for the quarter
- Topics identified by compliance
- FAQs needing clarification
- Closeout and Reporting

Dates for Network Calls:

- April 2018
- July 2018
- October 2018
- January 2019
- April 2019
- July 2019

Online trainings opportunities are passed onto the Network via the state association e-newsletter, along with other notifications regarding outside conferences or workshops.

The Department has posted a link to the Energy Audit tutorial on the Department's website. Training staff will provide technical assistance on a one on one basis if necessary.

The Department is planning a Regional Series, hosted across the state, which will address the top three identified topics. For 2018, the Department has chosen to focus on the following:

- Quality Work: In-process inspections
- Procuring for contractors
- Continued emphasis on final QCI's

Regional Training locations:

- Austin
- Dallas
- Houston
- San Antonio
- El Paso

Subgrantees are required to submit a Production report on the 15th of each month. Individualized TA is provided, as indicated each month, to ensure full expenditure. The Department reinstated the DeObligation/ReObligation of Awarded Funds rule, in 2016, as laid out in TAC §6.405. Letters are issued for any missed benchmarks, and the Subgrantee is required to submit a written Mitigation Action Plan. The Department reports increased performance and expenditures in 2016, and continues to project improvement for 2017. Based upon monthly submitted performance and expenditures, the Department will identify Subgrantees in need of financial management control training or technical assistance. Such T&TA may include: a course on production oriented management, proper reporting, procurement, and/or other appropriate topics.

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2018)

Evaluation of Training Activities

In order to evaluate compliance with the quality work specifications and the efficacy of its training activities, the training staff or its designee will review its training activities semiannually and compare those to the Subgrantee monitoring reports. Additionally, Subgrantees will be given the opportunity to provide feedback through online Training Evaluation. These evaluations are reviewed to make improvements to future provided T&TA. Training staff or its designee will conduct periodic surveys to solicit input from Subgrantees as to their training needs.

More specific training will be designed for each Agency based on the information prompting the request. TA will be documented by using the online training and technical assistance database. Additionally, for onsite T&TA visits, a report will be produced indicating Subgrantee staff present, materials and documents presented to the Subgrantee, and expected outcomes.

Should a Subgrantee hire a new weatherization coordinator, the Subgrantee will be required to notify the Department in writing within 30 days of the date of hiring the coordinator and request training. The Department will contact Subgrantees within 30 days of the date of notification to arrange for training. The Department hosts a quarterly "New Manager/Executive Director" course for all new staff who oversees WAP staff/crews

Program Evaluation

The Department utilizes an online contract system to collect expenditure and performance data from Subgrantees. Each Subgrantee is assigned to a trainer that monitors Subgrantee performance and expenditure on a quarterly basis utilizing dashboards. The Department developed a production tool to monitor expenditure and completed units on a monthly basis. Each month Subgrantees submit a monthly production report that is reviewed by a trainer. Trainer contacts Subgrantees regarding expenditure and performance each month.

Another method of evaluation is provided by the compliance division. The Department's compliance staff provides the Subgrantees assigned trainer with a copy of the agency's most recent monitor report, which is used to assess performance/expenditures and individualized training needs.

Client Education

The Department requires WAP Subgrantees to provide client education to each WAP client. Subgrantees are required to provide (at a minimum) educational materials in verbal and written format. Client education may include temperature strips that indicate the temperature in the room and energy savings materials, instructions for equipment operation and/or maintenance.

V.9 Energy Crisis and Disaster Plan

n/a

WEATHERIZATION HEALTH AND SAFETY PLAN

TEXAS WEATHERIZATION
CONTACT INFORMATION

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Contents

Health and Safety

Allowable Department of Energy (DOE) related health and safety (H&S) actions and expenditures are those necessary to maintain the physical well-being of both the occupants and/or weatherization workers where:

- Costs are reasonable as determined by The Department of Energy (DOE) in accordance with this approved Master Plan;
- The actions must be taken to effectively perform weatherization; or
- The actions are necessary as a result of weatherization work.

This plan will provide guidance to the Texas Weatherization Network. Health and Safety issues will be identified by Program Assessors during the initial assessment. Weatherization Crews (either subcontracted or in house) will perform the task(s) identified in the initial assessment and listed in the work order(s).

Weatherization agencies and their representatives, including subcontractors, are required to take all reasonable precautions against performing work on homes that will subject the occupants or themselves to health and/or safety risks. In cases where an occupant's health is fragile, or an occupant has been identified to have a health condition, including allergies, and/or the crew work activities would themselves constitute a health and/or safety hazard, the occupant(s) at risk shall be required to leave during the performance of the work activities. In cases where an occupant is identified as having an allergy to a specific weatherization material, that material will not be installed. If comparable alternative materials are available and the occupant has no known allergies to the alternative materials and they meet DOE regulations, crews/contractors may substitute the alternative material(s). If no safe alternative material meeting DOE standards is available, the measure shall not be installed. This must be well documented in the client file.

Texas exercises the option to budget health and safety costs separately. NOTE: DOE calculates Health and Safety for the State of Texas as 25% of the program operations budget. Texas calculates Health and Safety as a percentage of house dollars (materials + labor + program support + health and safety). The calculation (house dollars x 20%) yields a Health and Safety amount that meets the maximum of 20% for Texas Subgrantees.

For Subgrantees, Health and Safety expenditures may not exceed 20% of total expenditures (materials, labor, program support, and health and safety) at the end of the contract period. H&S expenditures exceeding this percentage will require justification by the Subgrantee.

The Department feels that the 20% H&S amount is justified based on several factors:

1. ASHRAE 62.2 2016 has been adopted and implemented; accounting for an average of $750/unit, or 15% of the H&S budget.
2. The Department has included Air Conditioning Units as a Health and Safety Measure.

Best Practice:

- Health & Safety Expenditures

Referrals and Deferrals

Deferral may be necessary if health and safety issues cannot be adequately addressed according to WPN 17-7 guidance. The decision to defer work in a dwelling is difficult but necessary in some cases. This does not mean that assistance will never be available, but that work must be postponed until the problems can be resolved and/or alternative sources of help are found. Referrals to other resources that may assist in remediation of the cause for deferral are to be provided to the client, and documented in the client file.

A dwelling unit should not be weatherized where there is a major code violation or where there is a potentially harmful situation that may adversely affect the occupants or agency's weatherization crew and/or other staff. When such issues are found to be present, the owner/occupant is notified verbally and in writing; and, only after the owner corrects the identified issues satisfactorily and to code, shall any weatherization work begin. The crew must declare their intent to defer weatherization work on an eligible unit on the energy audit worksheet. The audit form shall include the client's name and address, dates of the audit/assessment, date the client was informed, a clear description of the issue(s), a clear description of the condition(s) under which weatherization work could begin/continue, a clear description of the responsibilities of all parties involved, client's signature(s) indicating that they have been informed of their rights and options and that they understand the issues and their responsibilities. A copy shall be given to the client and a copy shall be placed in the client file.

10 TAC

- RULE §6.415

Best Practice:

- Client Denials & Referrals

Home Assessment & Client Evaluation

Texas has developed a Health & Safety Questionnaire that will be used as part of the application process that will then be further verified by the assessor at the time of the initial assessment.

Forms:

- Health & Safety Client Questionnaire and Inspection Checklist

Due to Texas' high humidity levels in much of the state, moisture and mold-like substances are an integral part of assessments.

Forms:
Mold-Like Substance Notification and Release Form for Texas Weatherization Programs
Identification of a Mold-Like Substance
Unified Notification Form

Best Practice:
Mold Safe Process

Client Education

Subgrantees must take every opportunity to educate clients regarding the use and maintenance of systems in their home as well as inform them (through discussion and written materials) of the presence of any hazards including but not limited to: asbestos; biologicals; unsanitary conditions; combustion gases; building structure; roofing; code compliance; electrical; fire hazards; Volatile Organic Compounds (VOCs) and other air pollutants; mold, lead paint; pests; radon; smoke and carbon monoxide detectors; Spray Polyurethane Foam (if applicable); space heaters; and ventilation. Documentation of client education must be present in the client file, via the following documents:

- Client Health and Safety Evaluation Form;
- Initial Assessment documentation of health and safety issue(s), instructions for remediation or referral made;
- Weatherization Assistance Program Denial/Deferral Letter and Right to Appeal; or
- Operating instructions, maintenance, and/or warranty for any installed H&S measure.

Occupant Pre-existing or Potential Health Conditions

An important aspect of any inspection is client education, where the occupant(s) health problems are addressed. Once a clear understanding has been reached between the auditor and the client(s), work that will not aggravate any client pre-existing health condition shall begin. In some rare instances, a deferral may be required.

When a person's health may be at risk and/or the work activities could create an H&S hazard, the at risk occupant will be required to take appropriate action based on the severity of the risk.
Temporary relocation of at-risk occupants may be allowed. Failure or inability to take appropriate actions will result in a deferral.

Forms:

- H&S Client Questionnaire

Education Material:

- Consumer Mold Information Sheet

Health & Safety Issues

As potential hazards are identified by the initial inspector and auditor, they are analyzed in terms of their severity and how they will be dealt with, up to and including deferral. Wherever possible, measures should be considered through the cost justification method of the saving to investment ratio (SIR) at 1 or greater as an Energy Conservation Measure (ECM) before using funds from the H&S allocation. Clients must always be informed of any Health or Safety risk discovered during the evaluation process in writing and written confirmation of receipt of that information by the client must be obtained and kept in the client file. A listing of H&S issues is compiled, any of which that can't be corrected can result in a deferral on any given project. They are as follows:

Air Conditioning and Heating Safety

"Red tagged", inoperable, or nonexistent HVAC system replacement, repair, or installation is allowed due to extreme climate conditions in Texas.

If the HVAC system issue is determined to be beyond the scope of DOE WAP, weatherization agencies will defer the work and refer the client to other resource agencies who may be able to address the problem. Texas' deferral policy and protocols shall always be strictly adhered to when deferring weatherization work. If client is completely without cooling or heating, the weatherization agencies shall make a referral to an agency with funding that can provide at-risk clients with a portable air conditioner or temporary means of heat, such as a portable heat pump or blankets.

Texas is a diverse state with a myriad of climatic conditions. In many areas, heating is needed on a limited basis. However, throughout Texas, cooling is often a necessity.

Texas requires HVAC system installation to follow local and state code and it must be performed by a licensed HVAC professional. Weatherization agencies may subcontract licensed HVAC companies/individuals to perform heating/cooling systems installations and repairs if they follow proper state procurement procedures.

Appliances and Water Heaters

Replacement or repair of water heaters is allowed on a case by case basis. Replacement and installation of other appliances are not allowable health and safety costs. Repair and cleaning are allowed. The Subgrantees must initially attempt to qualify existing Water Heater as an ECM. If the Water Heater does not rank, Subgrantees may repair or replace the existing unit as a Health and Safety Measure.

Replacement of cook stoves may be done with unrestricted funds from a funding source other than DOE. Repair and cleaning are allowed. Clients shall be given all manufacturers information on the appropriate use and maintenance of water heating units.

Cook Stoves with high CO:

- Clean or repair.
- If still has high CO levels, then see if another funding source is able to pay for the stove replacement.
- If no other source, the house must be deferred until the occupant can address the stove.
- Document all steps.
- Houses with stoves with CO levels of 200 ppm or higher which cannot be remedied must be deferred. The money spent trying to fix it, unsuccessfully, would be charged to Program Support.

Asbestos

Removal of siding is allowed to perform energy conservation measures. All precautions must be taken not to damage siding. Asbestos siding should never be cut or drilled. It is recommended, where possible, to insulate through home interior to avoid disturbing or removing the asbestos siding on the exterior of the home.

It is difficult to tell whether a material contains asbestos simply by looking at it, unless it is labeled. If in doubt, treat the material as if it contains asbestos. Testing is allowed by a certified AHERA tester.
Inspect exterior wall surfaces and sub-surfaces for asbestos siding prior to drilling or cutting. Typically, asbestos appears as a whitish, fibrous material which may release fibers that range in texture from coarse to silky.

It is recommended that insulation be installed through interior wall surfaces if possible.
Inspect pipe and other coverings for asbestos. Encapsulation is allowed by an AHERA asbestos control professional and should be conducted prior to any blower door testing. Removal may also be allowed by an AHERA asbestos control professional based on the situation as determined by the inspector or Agency Representative.

When vermiculite is present, unless testing determines otherwise, take precautionary measures as if it contains asbestos, such as not using blower door tests and utilizing personal air monitoring while in attics. Where blower door tests are performed, it is a best practice to perform pressurization instead of depressurization. Encapsulation by an appropriately trained asbestos control professional shall be allowed. Removal shall not be allowed.

Temporary removal of asbestos siding, so that insulation materials may be installed, may be performed if:

·Technicians wear personal protective equipment;
·The ground in the work area is covered with plastic sheeting to capture broken fragments;
·The pieces of siding to be removed are first sprayed with water;
·Breakage is kept to an absolute minimum;
·The siding is replaced; and
·The cost to benefit ratio is justified.

Do not dust, sweep, or vacuum debris that may contain asbestos. Never saw, sand, scrape, or drill holes in asbestos materials. Do not track material that could contain asbestos through the house. Be sure to follow local codes and OSHA standards on asbestos at the following hyperlink:

Asbestos

Biologicals and Unsanitary Conditions – odors, mustiness, bacteria, viruses, raw sewage, rotting wood, etc.

Remediation of conditions that may lead to or promote biological concerns and unsanitary conditions is allowed. Addressing bacteria and viruses is not an allowable cost. Deferral may be necessary in cases where a known agent is present in the home that may create a serious risk to occupants or weatherization workers.

A sensory inspection is required. The use of personal protective equipment shall be strictly enforced. Respirators, protective eyewear, and protective clothing will be worn when there is suspicion or knowledge that biological agents may be present in order to eliminate or minimize crew exposure.
In the past, remediation of conditions listed under this health and safety category was not allowed. It is allowable under WPN 17-7, except for the removal of known bacteria and viruses. Texas will assess the cost effectiveness and necessity of remediation of these conditions on a case by case basis.

Client must be informed of observed conditions. Clients must be provided information and explanation on how to maintain a sanitary home and steps to correct deferral conditions, if applicable.

Building Structure and Roofing

Building rehabilitation is beyond the scope of the WAP. Homes with conditions that require more than incidental repair should be deferred.

While conducting the initial audit, the building structure shall be inspected for structural integrity. Minor repairs to protect the DOE materials installed may be performed to protect the energy saving investment. Dwellings whose structural integrity is in question should be referred to agencies that deliver HUD funds or other appropriate local and state agencies. Weatherization services may need to be delayed or deferred until the dwelling can be made safe for crews/contractors and occupants. Incidental (minor) repairs necessary to effectively perform or preserve weatherization materials/measures are allowed. Examples of these include sealing minor roof leaks to preserve new attic insulation and repairing water-damaged flooring as part of replacing a water heater. Incidental structural repairs shall not include cosmetic applications, such as replacing a floor covering such as a carpet or linoleum. Only the structural part shall be replaced/repaired.

Code Compliance

Correction of pre-existing code compliance issues is not an allowable cost other than where weatherization measures are being conducted. State and local (or jurisdiction having authority) codes **must** be followed while installing weatherization measures. Condemned properties and properties where "red tagged" health and safety conditions exist that cannot be corrected under this guidance should be deferred.
WAP funds may be used when weatherization measures are being conducted. They may not be used simply to correct pre-existing code compliance issues.

Acquire all required permits and licenses pertinent to installing weatherization measures. These vary by jurisdiction and it is the responsibility of each Subgrantee agency to know what the codes are in each of the areas they work, as well as what permits and licenses are required in each of the areas they work.

Combustion Gases

Proper venting to the outside for combustion appliances, including gas dryers, is required. Correction of venting is allowed when testing indicates a problem.

A complete mechanical systems assessment is required to be completed on every home. The procedure includes collecting general information; collecting and recording mechanical systems information; visual and diagnostic inspection of the venting and distribution system; and, combustion analysis and diagnostic testing of gas/propane fired equipment, and post-installation safety tests for CO. Combustion safety testing is required when combustion appliances are present. Pre and post combustion appliance safety inspections include all of the following: carbon monoxide testing, draft measurement, spillage evaluation, and worst case depressurization of the combustion appliance zone (CAZ).

As applicable, every combustion appliance will be checked for a safe flue pipe, chimney or vent, adequate combustion air, and gas leakage. DOE will not permit any DOE-funded weatherization work where the dwelling unit is heated with an unvented gas- and/or liquid-fueled space heater as the primary heat source. In such cases the primary space heater must be removed and a vented code compliant heat source must be installed prior to the installation of weatherization measures. DOE will allow unvented gas- or liquid-fueled space heaters to remain as secondary heat sources provided they comply with ANSI Z21.11.2, the IRC, and the IFGC. LIHEAP-WAP may replace non-compliant secondary unvented gas- or liquid-fueled space heaters.

Per ASHRAE 62.2, at least one CO alarm must be present in every home. CO alarms must be installed in all homes with combustion appliances; combustion appliances include: cook stoves, furnaces, water heaters, wood and coal burning stoves. Combustion appliances must be installed to the IRC or local code regulations.

10 TAC:

- RULE §6.415 CO Action Levels

Client shall be provided with combustion safety and hazards information, including the importance of using exhaust ventilation when cooking and keeping burners clean to limit the production of CO.

Best Practice:

- Combustion Appliance Zone (CAZ) Testing
- Isolating the Combustion Appliance Zone (CAZ)

Drainage – gutters, down spouts, extensions, flashing, sump pumps, landscapes, etc.

Major drainage issues are beyond the scope of the WAP. Homes with conditions that may create a serious health concern that requires more than incidental repairs should be deferred. See Mold and Moisture guidance below.

Visual inspection and observation shall be the primary mechanism for detecting drainage issues. Client education shall include, but not be limited to, the importance of cleaning and maintaining drainage.

Electrical (Other than Knob-and Tube Wiring)

Minor electrical repairs are allowed where health or safety of the occupant(s) may be at risk. Upgrades and repairs are allowed when necessary to perform specific weatherization measures.

Aluminum wiring should be thoroughly inspected before any insulation work is done. If aluminum wiring is found to be active and in the areas to be insulated, no insulation should be added. When electrical repairs within the scope of the DOE WAP are required, the typical standard of remedy shall be to sub-contract the repair work to a licensed electrician. All appropriate procurement procedures shall be followed when sub-contracting. Testing shall include visual inspection, as well as voltage drop and voltage detection testing. Provide client information on overloading circuits and electrical safety and risks.

Electrical (Knob-and Tube Wiring)

Minor upgrades and repairs necessary for weatherization measures and where the health or safety of the occupant(s) is at risk may be allowed. However, TDHCA prohibits installing insulation over knob-and-tube wiring.

Prior to insulating around Knob and Tube wiring, cost effectiveness must be evaluated and barriers must be installed to keep insulation at least three inches from the K&T.

Best Practice:

- Knob & Tube Wiring

Fire Hazards

Correction of fire hazards is allowed when necessary to safely perform weatherization.
At all times, crews/contractors are to look for potential fire hazards.
Crews/contractors and auditors shall check for potential fire hazards in the home during the audit and while performing the weatherization work. Fire hazards must be remedied if they fall within the scope of the DOE WAP; otherwise weatherization work may have to be deferred until the fire hazard has been eliminated.
Clients must be notified of any identified fire hazards and noted in client file.

Health and Safety Guidance:

- Potential Fire Hazards in a Home (PDF)

Formaldehyde, Volatile Organic Compounds (VOCs) and other Air Pollutants

WAP workers may not remove pollutants. Removal of pollutants must be done by the client or a contracted professional prior to weatherization work being performed. If pollutants pose a risk to workers and removal cannot be performed by a professional or the client refuses to remove the pollutants, the unit must be deferred.

Sensory inspection shall be the primary detection method. All reasonable steps shall be taken to limit worker exposure to VOCs. When using products known to emit VOCs, increase ventilation. Meet or exceed any label precautions. Identify, and if possible, remove the source. If not possible to remove, reduce exposure by using a sealant on all exposed surfaces of paneling and other furnishing. State and local codes and regulations regarding disposal of toxic household wastes must be followed. Texas WAP crews/contractors shall take every precaution necessary to minimize exposure to air pollutants.
When using chemicals and products that may contain any of the pollutants within this category, strict adherence to label instructions and precautions shall be required. Known pollutants must be removed by the client or a contracted professional prior to performance of weatherization work.

Clients must be informed of any conditions and/or associated risks observed. Client must be given written information on safety and proper disposal of household pollutants, if applicable.

Health and Safety Guidance

- EPA Guidance on Common Household Wastes & Materials
- Indoor Air Quality

Injury Prevention of Occupants and Weatherization Workers – Measures such as repairing stairs and replacing handrails

Workers must take all reasonable precautions against performing work on homes that will subject workers or occupants to health and safety risks. Porch or stair repairs that would be required to make a home safe for weatherization workers are not an allowable measure in the program. Such situations are considered to be beyond the scope of Texas WAP.

As part of the safety for crew, assessors will indentify health and safety hazards according the OSHA method "Focus Four" which includes, electrical, fall protection, caught in and between, and struck-by hazards. The client will be informed in writing of any hazards and the associated risks that may have been observed.

Health and Safety Guidance

- OSHA Focus Four

Lead Based Paint

Weatherization requires all weatherization crews/contractors working in pre-1978 housing to be trained in Lead Safe Weatherization (LSW) and follow EPA's Lead; Renovation, Repair and Painting Program (RRP) rule. Deferral is required when the extent and condition of lead-based paint in the house would potentially create further health and safety hazards.

In all pre-1978 homes, crews/contractors must assess the physical condition of the home prior to conducting an audit. Texas recommends assuming that lead paint may be present in any house built prior to 1978 and to follow the proper DOE LSW protocols, OSHA regulations and EPA regulations in all pre-1978 homes. Mobile homes are exempt because lead was not used in the original manufacture of mobile homes. However, crews/contractors must be alert to any mobile home remodels/add-ons that could have contained lead-based paint or varnish.

Testing is allowed per RRP requirements. Job site set up and cleaning verification is required by a Certified Renovator. Texas WAP crews/contractors will use LSW work practices that decrease the amount of dust generated.

Texas will follow the approach that has been defined by the Environmental Protection Agency (EPA) under their Lead Renovation, Repair, and Painting Rule.

All Subgrantees are required to provide a copy of "Renovate Right: Important Lead Hazard Information for

Families, Child Care Providers and Schools” to an adult occupant prior to work starting on the home. Texas WAP crews/contractors will follow all EPA RRP requirements for disposal as well as state and local code requirements. This procedure is documented by a written acknowledgement that the adult occupant has received the brochure and that the information was not only distributed, but also explained, or certify in writing that a brochure had been delivered to an adult occupant and the provider has been unsuccessful in obtaining a written acknowledgement, as directed in the publication. Confirmation of receipt of this brochure by the client will be maintained in the client file.

Digital photo documentation must also be included. Even when a home tests negative for lead, the test form must be completed and placed in the client file.

State policy mandates all workers on site on any weatherization project, whether they be a crew based employee of one of the sub-contractors or a private sector contractor, must complete an eight (8) hour Lead Safe Worker Practices Workshop.

Each Subgrantee must be an EPA Certified Firm and have a Certified Lead Renovator on staff. The Subgrantee is responsible to obtain and maintain the required certifications.

Best Practice:

- Lead-safe Process and RRP Requirement

WX Videos

- 12 Steps to Lead Safety
- Health & Safety Series: Respirators & Personal Protective Equipment

Health and Safety Guidance

- Lead; Renovation, Repair, and Painting Program; Lead Hazard Information;
- Renovate Right

Mold and Moisture

Limited water damage repairs can be addressed by weatherization workers. Correction of moisture and mold creating conditions are allowed when necessary in order to weatherize the home and to ensure the long term stability and durability of the measures. Where severe mold-like substance and moisture issues cannot be addressed, deferral is required.

Visual assessment is required and diagnostics such as moisture meters are recommended pre-assessment and prior to final inspection. The assessment shall assure existing mold-like conditions are noted, documented and disclosed to the client; and, shall assure existing building envelope conditions do not contribute to mold-like growth when weatherization measures are applied. Mold-like substance assessment means a visual assessment combined with certain allowable diagnostics. It does not mean testing for mold. **DOE funds may not be used to test for mold-like substances.**

Texas WAP crews/contractors shall follow the Mold/Moisture Assessment Checklist when conducting the mold-like substances assessment at the time of the audit. Assessment shall include a general examination of the building, to include:

- Examine structure, maintenance activities, occupancy patterns
- Visually look for mold-like substances and water staining
- Look for evidence of standing water
- Look for evidence of condensation
- Check basement or crawl space and attic for proper venting and exhaust

Outdoors:

- Soil grade or drainage toward foundation
- Standing water adjacent to foundation
- Wall and roof damage allowing water intrusion
- Missing or blocked rain gutters
- No downspout extensions
- Firewood stacked adjacent to house
- Excessive shrubbery around foundation

Heating/cooling systems:

- Air intakes: debris (organic) vs. clean air
- Filters: dirty, damp, poor type
- Heat exchangers: dirty & damp coils, condensate pans, drainage, stagnant water
- Ducts: contamination, moisture

Occupied Space:

- Plumbing leaks
- Water stains on walls, ceilings and around windows
- Musty odor
- Surface Condensation (especially during mild weather)
- Mold-like substances on carpeting
- Humidifiers
- Window air conditioners
- Lack of bathroom, kitchen exhaust
- Clothes dryer not vented to outside
- Firewood stored indoors
- Wet clothes drying indoors

The DOE Training Resource:

- Mold and Moisture given by Michael Vogel of MSU Weatherization Training Center is available to all Subgrantees through TDHCA's website
- Energy Related Mold and Moisture…awareness and impacts for weatherization

Best Practice:

- Mold-safe Process

Occupational Safety and Health Administration (OSHA) and Crew Safety

Workers must follow OSHA standards and Safety Data Sheets (SDS) and take precautions to ensure the health and safety of themselves and other workers. SDS must be posted wherever workers may be exposed to hazardous materials.

- OSHA 10-hour training for all crew level WAP employees
- OSHA 30-hour training for all crew leaders
    - All OSHA training shall be updated as required and kept current.
    - SDS must be present at the work sites.

On-going Health & Safety training will be the responsibility of each Subgrantee.

FAQs:
- Weatherization FAQs Answered by TDHCA (PDF)

For other Information on obtaining OSHA classes:
- OSHA Education Center
- The OSHA Consultation office

Pests

Pest removal is allowed only where infestation would prevent weatherization or poses a health and safety concern for workers. Infestation of pests may be cause for deferral where it cannot be reasonably removed.

Determine whether the pest infestation would prevent or hamper the weatherization work. If removal is a viable and cost-effective option, take the necessary steps to remove the pest infestation problem so that the weatherization work can proceed. If removal is not a viable and cost-effective option or significant health and safety risks exist, defer the weatherization work and provide client with appropriate referral information.

Inform client of observed pest condition and associated risks and document in client file.

Best Practice:
- Pests

Radon

Whenever site conditions permit, exposed dirt must be covered with a vapor barrier except for mobile homes. In homes where radon may be present, precautions should be taken to reduce the likeliness of making radon issues worse.

Texas has no areas of "Highest Potential," according to the United States Environmental Protection Agency standards.

Texas Department of State Health Services

- Radon

Refrigerant

Reclaim refrigerant per Clean Air Act of 1990, section 608, as amended by 40 CFR 82, 5/14/93

Texas WAP Subgrantees shall ensure that sub-contractors who would be charged with refrigerant reclamation (e.g. removal of old refrigerators or air conditioning units) follow all EPA testing protocols; in accordance with the Clean Air Act of 1990, section 608, as amended by 40 CFR 82, 5/14/93. Refrigerants shall be pumped into a recovery tank and disposed at an EPA approved site. Clients should not disturb refrigerant.

Non-certified technicians may not attach or disconnect hoses or gauges to measure pressure within the appliances; top-off or remove refrigerant from appliances; or otherwise damage the integrity of the appliance.

EPA

- Refrigerant Disposal Brochure

Smoke, Carbon Monoxide Alarms, and Fire Extinguishers

Installation of smoke/CO detectors is allowed where detectors are not present or are inoperable. Replacement of operable smoke/CO detectors is not an allowable cost. Providing fire extinguishers is allowed only when solid fuel (such as wood) is present.

At minimum, all homes should have at least one smoke alarm on each level, including one near the combustion zone and at least one near the bedrooms. Ceiling-mounted smoke alarms must be mounted at least 6 inches from any wall. Wall-mounted smoke alarms must be installed at least 6 but less than 18 inches from the ceilings. They should always be installed according to applicable local codes or ordinances.

Don’t install smoke alarms in these cases:

- In a home that already has a functioning smoke alarm
- Within 12 inches of exterior doors and windows
- With an electrical connection to a switched circuit
- With a connection to a ground-fault interrupter circuit (GFCI)

A CO alarm should also be installed in accordance with SWS. CO alarms should be installed in all homes with unvented space heaters (all unvented space heaters must comply with ANSI Z21.11.2) and in all homes where backdrafting could occur in a furnace, space heater, wood stove, fireplace, or water heater. Always install CO alarms according to the manufacturer’s instructions.

Don’t install CO alarms in these cases:

- In a room that may get too hot or cold for alarm to function properly

- Within 5 feet of a combustion appliance, vent, or chimney
- Within 5 feet of a storage area for vapor-producing chemicals
- Within 12 inches of exterior doors and windows
- Within a furnace closet or room
- With an electrical connection to a switched circuit
- With a connection to a ground-fault interrupter circuit (GFCI)

A fire extinguisher may be provided in homes whose primary heat source is wood. The fire extinguisher must be installed according to manufactures standards and local code in vicinity of the primary heating source.

Solid Fuel Heating (Wood Stoves, etc.)

Maintenance, repair, and replacement of primary indoor heating units is allowed where occupant health and safety is a concern. Maintenance and repair of secondary heating units is allowed.

Crews/contractors may conduct minor maintenance activities where warranted. Chimney inspection, repair and/or replacement work shall be sub-contracted to a qualified solid fuel heating system vendor. This would be a health and safety issue requiring photo documentation and receipt of services by the professional with a description of what services were performed.

If there is a traditional open masonry fireplace, assess that it is operating safely. Unless a wood burning stove/pellet stove has been maintained on a regular basis, along with annual chimney cleanings, it is unlikely that it is efficient and safety must be evaluated. Determine if cleaning is needed to increase efficiency. If it is not operating safely (as evidenced by backdrafting of smoke or complaints of itchy eyes or respiratory issues by the client) determine if repair or replacement with a vented code-compliant heating system is required.

An unsafe, unrepairable open masonry fireplace would be treated similarly to that of an unvented space heater if it is the primary source of heat. The fireplace must be rendered inoperable and replaced with a vented heating unit. The type of existing fuel will dictate the replacement. If the client has a combustion fuel source (i.e. - gas, propane, etc) then seal up the fireplace and add a vented gas heater.

When replacing a wood stove in a mobile/manufactured home the new unit must be listed for use with manufactured homes and must be installed in accordance with their listings. Units that are not manufacturer approved, discovered during an initial assessment, should be replaced with an approved manufactured home appliance, under H&S. All state and local codes must be followed.

Best Practice:

- Combustion Appliance Zone (CAZ) Testing

Space Heaters, Stand Alone Electric

Stand-alone electric heaters are defined as heaters that do not have a permanent connection to electric power and/or stand-alone heaters that have been connected to the power supply against code. Repair, replacement or installation is not allowed. Removal is recommended.

Testing will be required to assure adequate supply of electricity is available for existing stand alone electric space heaters. This will be accomplished through the use of 3 wire circuit testers, GFI electrical outlet testers, and line voltage testers.

Inform client of hazards if removal is not allowed.

Space Heaters, Unvented Combustion

Removal is required, except as secondary heat where the unit conforms to ANSI Z21.11.2. Units that do not meet ANSI Z21.11.2 must be removed prior to weatherization but may remain until a replacement heating system is in place.

Testing for air-free carbon monoxide (CO) is to be performed. All units must have an ANSI Z21.11.1 label, and meet IRC and IFGC codes. The client must be informed of the dangers of unvented space heaters – CO, Moisture, and NO2. CO can be dangerous even if CO alarm does not sound.
Assessors must calibrate the CO tester outside the home and test the ambient air in the home; following the standards in the Standard Works Specifications:

- Perform an inspection of the heater. Any of the following conditions are grounds for repair or replacement:
    - Carbon monoxide (CO) test indicates ambient CO levels above 35 PPM
    - Bad burners (missing, broken, or otherwise un-repair-able)
    - Cross-fueled (between NG and LPG) and the orifices and/or pressure regulator have not been changed
    - Missing radiants
    - Open flame burners
    - Rubber supply lines
    - Charring or scorching

If cause cannot be determined, calibrate equipment and re-test. If still indeterminable, refer to local gas company. Any time replacement is deemed necessary, first consider performing the replacement as an ECM (energy saving measure) before replacing as a Health & Safety measure.

On-going Health & Safety training will be secured by the Subgrantee.

The Department will provided guidance via Q&As, and postings of FAQs to Department Website. http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm.

Space Heaters, Vented Combustion

Vented space heaters shall be treated as furnaces. Combustion safety testing is required when combustion appliances are present. Weatherization Assessors and Final Inspectors must conduct the combustion appliance safety inspection. This includes all of the following: carbon monoxide testing, draft measurement, spillage evaluation, worst case depressurization of the combustion appliance zone (CAZ), a safe flue pipe, chimney or vent, adequate combustion air, and gas leakage as applicable. Combustion safety test results must be acted upon appropriately according to the Standard Work Specifications and BPI protocols.

The Department has defined maximum acceptable CO readings as 200 parts per million for vented combustion appliances. Vented space heaters tested at >200 ppm must be repaired or replaced. CO detectors should be installed in all homes when fuel-fired (combustion) appliances exist.

Spray Polyurethane Foam (SPF)

Use EPA recommendations while working within the conditioned space when SPF fumes are evident. When working outside the building envelope, isolate the area where foam will be applied, take precautions so that fumes will not transfer to inside conditioned space, and exhaust fumes outside the home. Testing will include checking for penetrations in the building envelope. Sensory inspection inside the home for fumes during foam application must also occur.

The client must be informed of plans to use two-part foam and precautions that may be necessary. Workers using foam products must receive training on the proper use of these various products and understand the specification for each application type. SDS are mandatory for any foam product used and a thorough understanding of the temperature sensitivity of the product in use is required.

EPA

- Quick Safety Tips for Spray Polyurethane Users

Ventilation

Ventilation is only required if ASHRAE 62.2 calculations indicate added ventilation. In addition, ASHRAE 62.2 addresses dryer venting, CO alarm, and air sealing to isolate attached garages requirements. Existing fans and blower systems should be updated if not adequate.

Subgrantees are required to use the Alternative Compliance Path for Existing homes and perform an ASHRAE calculation through certified software such as RedCalc. Both the output of the software and a copy of the blower door data sheet must be placed in the client file.

In addition, the ASHRAE standards are incorporated into the Standard Work Specifications

Subgrantees who install ventilation must educate the clients on effective use of the exhaust ventilation equipment by:

1. Leaving owner's manual with client
2. Demonstrating how to use the exhaust fans.
3. Providing client education information on ventilation systems installed.
4. Providing client education on proper operation and maintenance.

Tools and Guides:

- Exhaust Fan Flow Meter Quick Guide (PDF)
- Single-Family Homes: Standard Work Specifications Field Guide (PDF)

Assessment Calculators:

- ASHRAE 62.2 Calculator (www.residentialenergydynamics.com)

Client and Assessment Forms:

- Blower Door and Duct Blower Data Sheet (XLS)

Window and Door Replacement, Window Guards

Replacement, repair, or installation is not an allowable health and safety cost but may be allowed as an efficiency measure if cost justified.

Window replacements may only be performed as an ECM. When working on windows follow LSW requirements for pre-1978 homes.

Best Practice:

- Window Repair or Replacement
- Window Repair – LIHEAP
- Door Repair or Replacement

1i

BOARD ACTION REQUEST

HOUSING RESOURCE CENTER

FEBRUARY 22, 2018

Presentation, Discussion, and Possible Action on the draft 2018 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 Department has developed the draft 2018 State of Texas Consolidated Plan: One-Year Action Plan, which reports on the intended use of funds received by the State of Texas from HUD for Program Year ("PY") 2018, beginning on February 1, 2018, and ending on January 31, 2019;

WHEREAS, a public comment period will be open from Friday, February 23, 2018, through Monday, March 26, 2018, and a public hearing will be held on Thursday, March 8, 2018, to garner input on the One-Year Action Plan;

WHEREAS, final version of the Plan is intended to be presented to the Board for approval at the later of its meeting of April 26, 2018, and the soonest meeting that is practicable after the final 2018 allocation amounts are released, but no later than 60 days after the allocation amounts are released and no later than July 26, 2018; and

WHEREAS, the Plan is anticipated to be due to HUD 60 days after announcement of the 2018 funding allocations, but no later than August 16, 2018;

NOW, therefore, it is hereby

RESOLVED, that the draft 2018 State of Texas Consolidated Plan: One-Year Action Plan, in the form presented to this meeting, is hereby approved for release for public comment; and

FURTHER RESOLVED, that the Executive Director and his designees are each hereby authorized, empowered and directed, for and on behalf of the Department, to cause notice of the draft 2018 State of Texas Consolidated Plan: One-Year Action Plan to 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"), Texas Department of Agriculture ("TDA"), and Texas Department of State Health Services ("DSHS") prepared the draft 2018

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, the Emergency Solutions Grant ("ESG") Program, the HOME Investment Partnerships ("HOME") Program, and the National Housing Trust Fund ("NHTF") Program by TDHCA.[1]

The Plan reflects the intended uses of funds received by the State of Texas from HUD for Program Year 2018. The Program Year begins on February 1, 2018, and ends on January 31, 2019. 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.

Upon approval by the Board, the Plan will be available for public comment on the TDHCA Public Comment Center at http://www.tdhca.state.tx.us/public-comment.htm. The public comment period will be open from Friday, February 23, 2018, through Monday, March 26, 2018, and a public hearing will be held on Thursday, March 8, 2018, at 2:00 p.m. Austin local time in the Stephen F. Austin Building, Room 173, 1700 North Congress Avenue, Austin, TX 78701.

Per 24 CFR §91.15(a)(1), the Plan was required to be submitted to HUD on December 15, 2017, which is at least 45 days before the start PY 2018. On January 8, 2018, the Department received written approval from HUD of a request to extend the submission date to April 30, 2018. This extension allows the Department to incorporate the new goals and activities for the HOPWA Program, while adhering to the HUD approved State of Texas Citizen Participation Plan. On January 24, 2018, HUD issued Notice CPD-18-01 with updated guidance and submission timeframe for the 2018 One-Year Action Plan, instructing the Department not to submit the final 2018 One-Year Action Plan before final 2018 allocation amounts are released by HUD, and not after August 16, 2018.

The final version of the Plan is intended to be presented to the Board for approval at the later of its meeting of April 26, 2018, and the soonest meeting that is practicable after the final 2018 allocation amounts are released, but no later than 60 days after the allocation amounts are released and no later than July 26, 2018.

[1] The Texas General Land Office ("GLO") is the responsible entity for developing the State Community Development Block Grant Disaster Recovery Program ("CDBG-DR") Action Plan in accordance with HUD guidelines. CDBG-DR Action Plans are available at http://www.glo.texas.gov/recovery/reporting/action-plans/index.html.

DRAFT 2018 State of Texas Consolidated Plan
One-Year Action Plan

As presented to the TDHCA Governing Board on February 22, 2018

Prepared by:

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www.dshs.state.tx.us

OMB Control No: 2506-0117 (exp. 06/30/2018)

Executive Summary

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

1. Introduction

The One Year Action Plan ("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") 2018. The 2018 OYAP applies to those 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"), relating to the activities of those three state agencies involving the administration of ongoing HUD Community Planning and Development ("CPD") programs. Those agencies are collectively referred to herein as the "State." This OYAP is for the HOME Investment Partnerships ("HOME") Program, the Emergency Solutions Grant ("ESG") Program, the Community Development Block Grant ("CDBG") Program, the Housing Opportunities for Persons with AIDS ("HOPWA") Program, and the National Housing Trust Fund ("NHTF"). The 2018 PY for HUD program activity begins on February 1, 2018, and ends on January 31, 2019. The performance report on PY 2016 funds was submitted to HUD in April 2017, and approved by HUD in November 2017.

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 2018 OYAP:

1. Reports on the intended use of funds received by the State from HUD for PY 2018;
2. Explains the State's method for distributing CDBG, ESG, HOME, HOPWA, and NHTF 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 Consolidated Annual Performance and Evaluation Report ("CAPER"), submitted to HUD by May 1, each year.

In accordance with the guidelines from HUD, the State utilizes the CPD Outcome Performance Measurement System through the use of HUD's Integrated Disbursement and Information System ("IDIS") to develop the OYAP and CAPER each year. Program activities are categorized into the objectives and outcomes listed throughout the OYAP. 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",) which is September 1st through August 31st, are based on anticipated units and households at time of award.

The objectives, outcomes, and activity budgets in this OYAP will be proportionally increased or decreased from the estimated levels included herein once the PY 2018 allocation notice is received from HUD. Additionally, if the 2018 HOME allocation is reduced by 20% or more from the 2017 allocation levels, TDHCA will not propose a 2018 HOME Program goal for single family homebuyer assistance activities, and other single family activity goals will be adjusted accordingly. However, it should be noted that TDHCA may take future action to add program income to this program year, or reprogram deobligated funding or other available HOME funding for this activity or increase funding for other activities in this plan. A decrease or increase in 2018 ESG funding would result in an across-the-board decrease or increase for 2018 ESG awardees and corresponding adjustments to performance targets.

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 2016 (February 1, 2016 to January 31, 2017). Because NHTF was a new program for PY2016, past performance data is not available.

HOME Evaluation of Past Performance

TDHCA's HOME program expended $35,713,369 in program funds through seven different types of HOME Program activities in PY 2016, representing completed assistance to 656 households and reached 90% of expected program year goals.

ESG Evaluation of Past Performance
During PY 2016, TDHCA's ESG Program expended $18,124,704, including ESG funding from 2014, 2015, and 2016, as well as matching funds. With the expended funding, ESG served 22,850 households with rapid re-housing, and 84,795 persons with overnight shelter or homelessness prevention.

CDBG Evaluation of Past Performance
During PY 2016, the Texas CDBG Program committed a total of $76,021,577 through 254 awarded contracts. For contracts that were awarded in PY 2016, 656,363 persons were anticipated to receive service. The Colonia Self Help centers, overseen by TDHCA's Office of Colonia Initiatives, awarded two contracts in 2016, totaling $1,700,000 and benefitting 3,724 persons.

HOPWA Evaluation of Past Performance
In PY 2016, the DSHS HOPWA program served 436 households with TBRA (93% of the OYAP goal), 431 households with STRMU assistance (102% of the OYAP goal), and 17 households with Permanent Housing Placement ("PHP") assistance (106% of the OYAP goal) for a total of 835 unduplicated

households. All 835 of the households served received Supportive Services and 17 households received Supportive Services as a standalone service for a total of 852 households (102% of the 823 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.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

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

The 2015-2019 Consolidated Plan (as adopted) substantial amendments, the OYAP, and the Consolidated Plan Annual Performance and Evaluation Report ("CAPER") 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.

The State recognizes that public participation and consultation are ongoing processes. During the development of the 2015-2019 Consolidated Plan, comprehensive outreach was conducted to gather input. This outreach continues through the development of each Annual Action Plan within the 5-year consolidated planning process. Following the release of HUD's Final Rule to Affirmatively Further Fair Housing, the State updated the Citizen Participation Plan and is undertaking an update to the Language Access Plan, as the State works towards the development of the fair housing planning document.

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.

Public comments received after the release of the Draft 2018 OYAP will be summarized here.

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

A summary of the comments received and reasoned responses will be as an attachment to the final 2018 OYAP.

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, HOPWA, and NHTF. 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 the State plans to use 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
NHTF Administrator	Texas Department of Housing and Community Affairs

Table 1 – Responsible Agencies

Narrative

TDHCA administers the ESG Program, NHTF, and the HOME Program; the TDA administers the CDBG Program; and DSHS administers the HOPWA Program. All of these programs, known collectively as CPD Programs, are covered in the 2018 OYAP. TDHCA coordinates among itself, TDA, and DSHS 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.

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

DSHS, which administers HOPWA, is an agency of the Texas Health and Human Services Commission ("HHSC"). In 2015, HHSC began a reorganization to produce a more efficient, effective, and responsive system. In September of 2016, the first phase of that effort became operational, and a second phase occurred September 1, 2017. The goals of the transformation are to create a system that is easier to navigate for people who need information, benefits, or services; aligns with the HHSC mission, business, and statutory responsibilities; breaks down operational silos to create greater program integration;

creates clear lines of accountability within the organization; and develops clearly defined and objective performance metrics for all areas of the organization. Foremost as it relates to HOPWA, DSHS contract oversight and support functions have transferred to HHSC. For more information about the HHSC transformation, visit https://hhs.texas.gov/about-hhs/hhs-transformation.

TDHCA, TDA, and DSHS administer their CPD 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”).

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

Consolidated Plan Public Contact Information

ESG, HOME, and NHTF 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:
DSHS 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.
https://www.dshs.texas.gov/hivstd/hopwa

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

1. Introduction

In an effort to gather information from diverse audiences, TDHCA uses different forms of technology to communicate efficiently, including online surveys, forums, social media, and email distribution. Online surveys foster an increased response rate of participants as well as facilitating data analysis. 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, social media, and through announcements at meetings and conferences.

An online presence allows TDHCA to reach out to encourage participation and consultation. The Policy and Public Affairs Division of TDHCA has implemented a social media presence, specifically through Twitter, Facebook, YouTube, and Flickr. 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.

In the consolidated planning process, the State encourages the participation of public and private organizations, including broadband internet service providers, organizations engaged in narrowing the digital divide, agencies whose primary responsibilities include the management of flood prone areas, public land or water resources, and emergency management agencies in the process of developing the consolidated plan.

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, as well as developers and advocates in different relevant sectors. It is supported administratively 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 continues to use its fair housing email list to share fair housing-related news, event information, and announcements with interested persons and organizations.

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 during PY 2015. Each Regional Review Committee, composed of local elected officials, discussed local funding priorities for the Community Development Fund and adopted scoring criteria, which were applied to the Community Development Fund in PY 2016 to implement those priorities. Additionally, the Texas Rural Health and Economic Development Advisory Council (TRHED) met on May 25, 2016, and November 16, 2016, to discuss rural policy issues, as well as receive updates and proposed program changes for the state CDBG program.

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

The Colonia SHC Program 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"). On a very frequent basis—weekly or more often—TDHCA provides guidance and oversight to the county governments with which TDHCA has executed Colonia SHC contracts. Somewhat less often, TDHCA provides guidance and technical assistance to the housing subgrantees with which respective counties have contracted to achieve specific deliverables per their individualized SHC subcontracts. 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 recommends approval of 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 Colonia 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.

TDHCA and TDA are committed to working with other state and federal regulatory and funding agencies. The Colonia Interagency Workgroup previously used to facilitate this coordination specifically for colonia areas has been discontinued for the current year. Agency coordination continues through the Texas Water Infrastructure Coordinating Committee ("TWICC") includes many of the same agencies and addresses concerns throughout the state, including those in colonias.

Further, to promote greater supply of rental housing for colonia residents and to enhance the availability of municipal services to colonias, 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.

TDHCA works to coordinate with Continuum of Care ("CoC") lead agencies on many levels. Several CoC lead agencies attend the Texas Interagency Council for the Homeless ("TICH") which has two representatives from TDHCA, as well as many other state agencies. In addition, the TICH supports a contract with the Texas Homeless Network ("THN") to build on pilot projects for collaboration between CoCs and Local Workforce Development Boards that is currently underway and due for completion by August 31, 2018.

In order to better coordinate with CoCs to address the needs of homeless persons and persons at-risk of homelessness, TDHCA also works closely with the CoCs during the awarding ESG funds. ESG funds are released by Notice of Funding Availability ("NOFA") for an amount of available funding within each CoC region. For the competition for 2017/2018 ESG funds, applicants within each CoC region either submitted an application for ESG funding directly to TDHCA or to one of the four CoC Lead Agencies selected by TDHCA to run a local competition for ESG funds. If applications were submitted to the CoC lead, the CoC lead recommended ESG awards to TDHCA for their region. Both applicants to TDHCA and to the local CoCs receive points for their coordination with the CoC, including participation in CoC meetings, involvement in the point-in-time counts, consultation with CoCs on the ESG application, alignment with the CoC's priorities and participation in coordinated entry (before coordinated entry was required to be in place).

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

To prepare for future funding competitions, TDHCA plans to open the ESG scoring criteria and application process to public comment through the rulemaking process during the summer and fall of 2018. TDHCA plans to hold roundtables and an online forum to gather input on proposed changes to the NOFA, including point levels awarded for outcomes, minimum performance standards, and other issues that would affect awards.

For 2017/2018 ESG funds, TDHCA approved four CoC lead agencies that applied to manage a local competition for 2016 ESG funding: Metro Dallas Homeless Alliance for the Dallas City and County CoC; Tarrant County Homeless Coalition for the Fort Worth/Arlington/Tarrant County CoC; El Paso Coalition for the Homeless for the El Paso City and County CoC; and Coalition for the Homeless of Houston/Harris County for City of Houston/Harris County CoC. The CoC lead agencies have authority to recommend allocations for ESG program funds and evaluate outcomes for ESG.

Regarding HMIS, TDHCA's ESG Subrecipients are required to use the established HMIS or HMIS-comparable databases in their CoC regions. This requirement enables ESG Subrecipients to supply exports for HUD's Sage HMIS Repository Reporting system needed for the CAPER. In addition, the use of HMIS or an HMIS-comparable database holds ESG Subrecipients to standards of reporting set by the HMIS leads in their CoC regions.

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

Table 2 – 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
	What section of the Plan was addressed by Consultation?	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

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Input on the 2018 OYAP was sought at the October 2017 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.
2	**Agency/Group/Organization**	Rural Health and Economic Development Advisory Council
	Agency/Group/Organization Type	Housing Services - Housing Services-Health Other government - State Other government - County Other government - Local Regional organization Planning organization Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Economic Development Anti-poverty Strategy CDBG Method of Distribution
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Details on the Rural Health and Economic Development Advisory Council fall meeting will be included in the final 2018 OYAP. 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.

3	**Agency/Group/Organization**	HIV Administrative Agencies
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS engages in ongoing consultation with HOPWA stakeholders by collecting qualitative data from HIV Administrative Agencies (AAs) and using it for planning and evaluation. 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. AA contact information and planning area maps are located at https://www.dshs.texas.gov/hivstd/services/aa.shtm.
4	**Agency/Group/Organization**	HOPWA Project Sponsors
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS
	What section of the Plan was addressed by Consultation?	HOPWA Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHS engages in ongoing consultation with HOPWA stakeholders by collecting qualitative data from HOPWA Project Sponsors and using it for planning and evaluation. Project Sponsors provide narrative performance output and outcome data; offer program strategies for improved performance and strategies that contributed to successes; describe efforts to coordinate resources and efforts; assess housing barriers and make recommendations; request technical assistance, and supply other discussion items (i.e., feedback, ideas, other recommendations, etc.).

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. A report is generated annually by the TICH that serves as a supplement to Pathways Home.

Table 3 – 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, NHTF, and HOPWA, and the development of HUD required fair housing documents.

In the development of HUD required fair housing documents, the State plans to consult with housing agencies administering public housing, Public Housing Authorities ("PHAs"), state-based and regionally-based organizations that represent protected class members and organizations that enforce fair housing laws, including agencies that participate in HUD's Fair Housing Initiatives Program ("FHIP") and HUD's Fair Housing Assistance Program ("FHAP"). Further, the State will make available on TDHCA's website HUD-provided data and supplemental information which the State intends to incorporate into these documents. At least three public hearings will be held before a HUD required Fair Housing document is published for comment.

If a material amendment of a HUD required fair housing document is needed as described in 24 CFR §5.164, reasonable notice by publication on TDHCA's website will be given, comments will be received for no less than 30 days after notice is given, and a public hearing will be optional, and will be held within the public comment period.

Language needs

The State conducted an analysis of eligible program participants with Limited English Proficiency ("LEP"). The analysis was performed for households at 200% poverty, roughly equivalent to 80% area median income statewide in Texas. The overwhelming need, at 74% of LEP persons, was for Spanish language translation. The state will translate vital documents into Spanish. The state will analyze market areas for program beneficiaries to determine if documents should be translated into additional languages. The state will apply four-factor analysis to consider the resources available and costs considering the frequency with which LEP persons come into contact with the program and the nature and importance of the program, activity, or service. The State will make reasonable efforts to provide language assistance to ensure meaningful access to participation by non-English speaking persons.

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

Encouragement of Public Participation
To reach minorities and non-English speaking residents, the Plan outreach follows the State's Language Access Plan. Also, the notices are available in Spanish and English, per Tex. Gov't Code Chapter 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. 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.

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 are 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
Public hearing schedules are published in the *Texas Register* and on TDHCA's website at http://www.tdhca.state.tx.us, and are advertised by opt-in email distribution and during various workgroups and committee meetings. During the public comment period, printed copies of draft plans are available from TDHCA, and electronic copies may be available for download from TDHCA's website. Constituents are encouraged to provide input regarding all programs in writing or at the public hearings. See the Citizen Participation Outreach table below for details of annual outreach.

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 end of the State's Program Year (1/31) and the due date of the CAPER, 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.

One Year Action Plan

The draft One Year Action Plan ("OYAP") is released for public comment prior to HUD's release of actual annual allocation amounts, and the draft OYAP reflects estimated allocation amounts. Once HUD releases actual annual allocation amounts and prior to submission to HUD, proposed activities' budgets will be increased or decreased from the estimated funding levels to match actual allocation amounts, and proposed program goals will be adjusted proportionally or as otherwise described in the 2017 Action Plan.

Complaints related to the Consolidated planning process follow the TDHCA complaint process, as defined by 10 TAC §1.2.

For details on the development of or amendments to HUD required Fair Housing document, see the AP10 Narrative section above.

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

The Colonia Self Help Center Program funds El Paso, Cameron/Willacy, Hidalgo, Starr, Webb, Maverick, and Val Verde counties 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 service area served by the centers.

TDHCA provides guidance, technical assistance and oversight to the units of local government with which TDHCA has executed Colonia SHC contracts. Technical assistance includes program administration, guidelines, requirements needed to fulfill contractual requirements in serving colonia residents with CDBG funding. Periodically, TDHCA convenes a meeting with C-RAC. This grass-roots-style committee considers contract proposals, recommends approval of 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 Colonia 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.

TDHCA and TDA are committed to working with other state and federal regulatory and funding agencies. The Colonia Interagency Workgroup previously used to facilitate this coordination specifically for colonia areas has been discontinued for the current year. Agency coordination continues through the Texas Water Infrastructure Coordinating Committee ("TWICC"). TWICC includes many of the same agencies and addresses concerns throughout the state, including those in colonias.

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 Meeting – TDHCA Board Meeting	Non-targeted/broad community	The Draft 2018 OYAP was presented at the TDHCA Board meeting of February 22, 2018, and the Board approved its release for public comment.	Public comments are accepted at each meeting of the TDHCA Board in accordance with §2306.032(f) and §2306.066(d) of the Tex. Gov't Code.	n/a	TDHCA's board agenda and information is filed with the Texas Office of the Secretary of State ("SOS") in advance of each meeting, in accordance with the Texas Open Meetings Act. Board materials are posted at http://www.tdhca.state.tx.us/board/meetings.htm.
2	Public Comment Period	Nontargeted/broad community	The Draft 2018 OYAP will be released for a 30-day public comment period from February 23, 2018 to March 26, 2018.	All public comments and reasoned responses will be provided as an attachment to the final 2018 OYAP.		http://www.tdhca.state.tx.us/public-comment.htm

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)
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 will be provided as an attachment to the final 2018 OYAP.		http://www.tdhca.state.tx.us/public-comment.htm

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

The expected future funding amounts of the above programs, to the extent known, are in the planning documents governing those programs. These documents can be found online at http://www.tdhca.state.tx.us/. The anticipated resources below are focused on CPD Programs. TDHCA participates in numerous committees, workgroups, and councils which help inform TDHCA of other potential resources to address affordable housing needs. Relationships with other federal and state agencies and local governments are extremely valuable, helping Texas agencies to coordinate housing and services to serve all Texans efficiently and effectively. TDHCA’s committee involvement promotes identification and pursuit of federal funding opportunities. TDHCA actively seeks engagement and input from community advocates, funding recipients, potential applicants for funding, and others to obtain input regarding the development of effective policies, programs and rules. Changes to funding plans are made periodically based on feedback received through these avenues.

TDHCA is the lead agency for the following workgroups:

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

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

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

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

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

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	50,220,931	3,438,381	5,980,585	56,201,516	56,201,516	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. Program Income of $3,438,381 will be allocated to TDA’s State Revolving Loan Fund, which supports economic development.
CDBG Colonias Set-aside	public - federal	Acquisition Admin and Planning Homebuyer assistance Homeowner rehab Public Improvements Public Services	7,443,925	0	0	7,443,925	7,443,925	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 Remainder 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	23,199,182	10,000,000	0	33,199,182	33,199,182	TDHCAs 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 TDHCAs 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 reduces the homebuyers federal income tax liability. HOME multifamily development funds can be layered with 4 and 9 HTCs. In addition, the Section 811 PRA, a project based supportive housing program for persons with disabilities, and TDHCAs Section 8 HCV may be used within HOME developments. Starting in 2015, TDHCAs TCAP RF and NSP PI may be used to supplement or support multifamily and single family HOME, and for TCAP RF to generate match. 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 Remainder 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 Resource Identification	3,455,809	0	1,110,884	4,566,693	3,811,014	DSHS' HOPWA state formula funds the following activities: TBRA; STRMU; Facility-Based Housing Subsidy Assistance; PHP; Supportive Services, and Resource Identification. 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. Note: Per the 2017 administrative amendments to the 2014 and 2015 annual action plans and extensions to the periods of performance for the 2014 and 2015 grants, the prior year resources include the 2014 fund balance of $521,520.30 and the 2015 fund balance of $264,697.12. Additionally, the prior year resources column includes the 2016 fund balance of $324,666.30, for a total of $1,110,883.72 in prior year resources.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	9,028,982	0	0	9,028,982	26,451,615	TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems ("HMIS") activities. HHSP is Texas state general revenue funding for the largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. Use of funds also includes Administration. The Ending Homelessness Fund was statutorily established as of September 1, 2017, which allows for private donations when registering a vehicle. TDHCA will provide funds to counties and municipalities to combat homelessness. As of this writing, the expected funding for the resource is unknown.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
Housing Trust Fund	public - federal	Multifamily rental new construction	8,858,738	0	0	8,858,738	26,576,214	TDHCA's NHTF Program goals are described in the Strategic Plan Section 45 for multifamily and single family activities. NHTF Multifamily Development Funds can be layered with 4% HTCs and 9% HTCs, and TDHCA Multifamily Direct Loan funds, including HOME, HOME-CHDO, and TCAP RF. In addition, Section 811 PRA, a project-based supportive housing program for persons with disabilities, and TDHCA's Section 8 HCV may be used within NHTF developments. In addition, TDHCA also develops rules that govern all multifamily programs, known as the Uniform Multifamily Rules, and the Multifamily Direct Loan Rule, which governs NHTF.

Table 5 - 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 $2.35 per capita for each state, and 4% HTC in amounts linked to the usage of the state's cap for issuance of tax exempt PABs to finance affordable housing development. In Texas, this equates to approximately $66,870,000 in 9% tax credits available to be awarded annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of $668,700,000. 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 Direct Loan 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, and began matching HOME funds with TCAP RF in PY 2016. TDHCA has also requested for HUD to approve a waiver that its state-funded Bootstrap program be eligible as match that is still under review.

ESG

To meet the ESG match requirement, TDHCA includes the provision of evidence of proposed match as part of the ESG application process. Subrecipients are required to provide 100% match according to budget categories for which the Subrecipient was funded. In addition, in order to allow for greater flexibility in allowing for a match waiver, TDHCA awarded additional points to applicants that committed to provide match at least to 110% of awarded funds. An applicant that was unable to match the award was eligible to apply to TDHCA for a match waiver up to $100,000. However, TDHCA did not receive a match waiver request during the 2017/2018 ESG Application process.

Also, the Texas Legislature created the HHSP by statute, funded it with General Revenue funds, and recently established the Ending Homelessness Fund which will be funded through voluntary donations when registering vehicles with the State of Texas. 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, currently the eight largest cities in Texas. The amount of funds collected for the Ending Homelessness Fund is currently unknown. Both of these funds, when available, may be used as match for either State or local ESG funding.

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.

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

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

CDBG Leverages
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.

NHTF Program Leverages
NHTF multifamily development may be used to leverage with the HTC Program, which was created by the Tax Reform Act of 1986 and authorizes 9% low-income housing tax credits in the amount of $2.35 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 bond to finance affordable housing development. In Texas, this equates to approximately $66,870,000 in 9% tax credits available to be awarded by TDHCA annually. These credits may be claimed each year for ten years and this represents potential tax credit value on the magnitude of $668,700,000. The tax 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 must develop a Qualified Allocation Plan (“QAP”) for the selection of eligible developments to provide housing for the low-income tenants. NHTF provides increased leverage, allowing the property owners to utilize fewer tax credits and less private debt and local funding, therefore providing more efficient use of resources.

State Owned Land
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 2018. 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.

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	2019	Homeless	State of Texas	Emergency shelter and transitional housing Homelessness Prevention Rapid Re-housing	ESG: $9,028,928	Tenant-based rental assistance / Rapid Rehousing: 852 Households Assisted Homeless Person Overnight Shelter: 8663 Persons Assisted Homelessness Prevention: 3392 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: $10,019,663	Homeowner Housing Rehabilitated: 100 Household Housing Unit
4	Homebuyer assistance with possible rehabilitation	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Acquisition of existing units Rehabilitation of housing	HOME: $819,969	Direct Financial Assistance to Homebuyers: 27 Households Assisted
5	Tenant-Based Rental Assistance with HOME funding	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance	HOME: $6,559,755	Tenant-based rental assistance / Rapid Rehousing: 596 Households Assisted

OMB Control No: 2506-0117 (exp. 06/30/2018)

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	HOME Households in new/rehabbed multifamily units	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units Rehabilitation of housing	HOME: $12,479,877	Rental units constructed: 87 Household Housing Unit Rental units rehabilitated: 37 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: $2,817,751	Tenant-based rental assistance / Rapid Rehousing: 581 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: $564,382	Homelessness Prevention: 492 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: $33,091	Public service activities other than Low/Moderate Income Housing Benefit: 56 Households 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: $688,60	Public service activities other than Low/Moderate Income Housing Benefit: 1,063 Households Assisted
11	CDBG Other Construction	2015	2019	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public facilities Public services	CDBG: $38,607,171	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 227843 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	CDBG Economic Development	2015	2019	Non-Housing Community Development Economic Development	State of Texas	Economic development Public Improvements and Infrastructure Public facilities Public services	CDBG: $8,639,168	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 Improvements and Infrastructure Public facilities Public services	CDBG: $535,963	Other: 37412 Other
14	CDBG Disaster Relief / Urgent Need	2015	2019	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public facilities	CDBG: $2,438,630	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	Acquisition of existing units Production of new units Public Improvements and Infrastructure Public facilities Public services Rehabilitation of housing	CDBG Colonias Set-aside: $5,955,140	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: $1,488,785	Other: 14491 Other
17	CDBG Administration	2015	2015	Administration/Technical Assistance	State of Texas	Economic development Public Improvements and Infrastructure Public facilities Public services Rehabilitation of housing	CDBG: $1,886,542	Other: 0 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
18	HOME Administration	2015	2019	HOME Administration	State of Texas	Acquisition of existing units Production of new units Rehabilitation of housing Rental Assistance	HOME: $3,319,918	Other: 0 Other
19	NHTF households in new multifamily units	2016	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units	Housing Trust Fund: $7,972,864	Rental units constructed: 47 Household Housing Unit
20	NHTF Administration	2016	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units	Housing Trust Fund: $885,874	Other: 0 Other
21	HOPWA Facility-Based Housing Subsidy Assistance	2018	2019	Affordable Housing Homeless Non-Homeless Special Needs	State of Texas	Emergency shelter and transitional housing Rental Assistance	HOPWA: $88,900	HIV/AIDS Housing Operations / Homelessness Prevention: 47 households assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
22	HOPWA Resource Identification	2018	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance Supportive Services for Persons with HIV/AIDS Homelessness Prevention Emergency shelter and transitional housing	HOPWA: $0	Other: 0

Table 6 – Goals Summary

Goal Descriptions

1	**Goal Name**	Homeless Goals
	Goal Description	To determine the percentage for each activity, first the allocation amount is reduced by 4.0% for the Department's administrative funds. Based on previous rounds of expenditures, the remaining funding for Subrecipients is anticipated to be allocated roughly as follows: 3.4% administrative funds for ESG Subrecipients, 32.4% for rapid re-housing; 16.8% for homelessness prevention; 35.5% for emergency shelters, 7.2% for street outreach, and 4.7% for the Homeless Management Information System ("HMIS") activities. The number of people estimated to be served is based on the per person cost for each activity. Note that the emergency shelter projection will most likely vary from what will be reported in the 2018 Consolidated Annual Evaluation and Performance Reports. The projection takes into account all persons served at a day or night emergency shelter, the measurement in the OYAP is persons who spent the night at an overnight shelter, not a day shelter. A new measure to track persons who spent the night at an overnight shelter has been added for ESG Subrecipient reporting, but will take time to apply uniformly to all performance reported in the CAPER. TDHCA's anticipated expenditure amounts are still under the federal requirement to spend equal or less than 60% of its funding on emergency shelter and street outreach activities.
2	**Goal Name**	Construction of single family housing
	Goal Description	TDHCA does not plan to have a 2018 HOME Program goal for single family development activities performed by a Community Housing Development Organization ("CHDO") for the construction of new single family housing. However, TDHCA may amend program income, or use deobligated funding or other available HOME funding for such an activity. PY 2018 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 2018 goal for HOME Program rehabilitation and reconstruction activities is to provide assistance to a minimum of 100 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 and reconstruction necessary to make their homes decent, safe, sanitary, and accessible.
4	**Goal Name**	Homebuyer assistance with possible rehabilitation
	Goal Description	The 2018 goals for HOME Program acquisition activities is to provide assistance to a minimum of 27 households with downpayment and closing costs assistance, 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 2018 goal for HOME Program TBRA activity is to provide on-going rental assistance or stand-alone rental security deposit assistance to approximately 596 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**	HOME Households in new/rehabbed multifamily units
	Goal Description	The 2018 goal for HOME Multifamily Program is creating/rehabilitating over 124 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 581 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 492 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 56 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 1,063 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 downtown revitalization activities for rural communities. Funding allocated includes annual allocation in addition to previously deobligated funds and program income. 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 indentified 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. 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 Colonia 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 program income received in PY 2017 that is being programmed in the 2018 Action Plan.
19	**Goal Name**	NHTF households in new multifamily units
	Goal Description	The 2017 goal for Housing Trust Fund is creating 47 multifamily rental units based on the performance period of February 1, 2017, through January 31, 2018.
20	**Goal Name**	NHTF Administration
	Goal Description	NHTF Administrative funds for PY 2017.
21	**Goal Name**	HOPWA Facility-Based Housing Subsidy Assistance
	Goal Description	HOPWA Facility-Based Housing Subsidy Assistance activities will include Short-term supportive housing (STSH) and Transitional supportive housing (TSH). STSH provides temporary housing assistance to eligible individuals to prevent homelessness and allow an opportunity to develop an individualized housing and service plan to guide the client's linkage to permanent housing. TSH provides up to 24 cumulative months of facility-based rental assistance to households that are homeless or at risk of homelessness, including assistance for shared housing arrangements. The annual goal includes 47 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.

22	**Goal Name**	HOPWA Resource Identification
	Goal Description	Resource Identification is used for establishing, coordinating and developing housing assistance resources for eligible persons (including conducting preliminary research and making expenditures necessary to determine the feasibility of specific housing-related initiatives). This goal was added to the Consolidated Plan for use in future annual action plans. The funding for this annual action plan is $0.00. Any future activities and funds will be programmed in accordance with the Citizen Participation Plan.

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. These 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. 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. Due to software restrictions, allocations are rounded to the nearest whole number and do not reflect precise percentages.

Also, for the other programs listed in the anticipated resources (Action Plan 15) that could be used to leverage funds (including 4% HTC, 9% HTC, Multifamily Direct Loan Program, HHSP, State Housing Trust Fund, TX MCC, and My First Texas Home Program, NSP PI, Section 8 HCV programs, Section 811 PRA, and TCAP RF), goals are tailored to each program in the planning documents governing those programs. These documents can be found at http://www.tdhca.state.tx.us. In addition to meeting the priority needs, the CPD Programs 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's are included in the discussion below.

HOME Serves Special Needs

TDHCA has determined that Administrators may request to target assistance to the following special needs populations: persons with disabilities, persons with substance use disorders, persons living with HIV/AIDS ("PLWH"), persons with Violence Against Woman Act ("VAWA") protections, colonia residents, farmworkers, homeless populations, veterans, wounded warriors (as defined by the Caring for Wounded Warriors Act of 2008), and public housing residents. Administrators may also request to have preferences designed to assist single parents, persons transitioning out of incarceration, and persons transitioning out of foster homes and nursing facilities.

For Administrators with 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, substance use disorders, 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 HOME or NHTF 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.

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 (%)	HOME Households in new/rehabbed multifamily units (%)	HOPWA Tenant-Based Rental Assistance (%)	HOPWA Short-Term Rent, Mortgage, & Utilities Asst (%)	HOPWA Permanent Housing Placement Assistance (%)	HOPWA-Funded Supportive Services (%)	HOPWA Facility-Based Housing Subsidy Assistance (%)	HOPWA Resource Identification (%)	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 (%)	NHTF households in new multifamily units (%)	NHTF Administration (%)	Colonias Set-Aside (%)	Total (%)
CDBG	0	0	0	0	0	0	0	0	0	0	0	0	65	17	1	2	10	2	3	0	0	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	0	0	0	0	100	**100**
HOME	0	0	33	3	22	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**100**
HOPWA	0	0	0	0	0	0	67	13	1	16	3	0	0	0	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	0	0	0	0	**100**
Housing Trust Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	90	10	0	**100**

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

HOME

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. TDHCA now has access to TCAP RF, which are loan repayments from original TCAP funded developments, as a source of multifamily financing, as well as the ability to allocate program income to this activity based on the amount actually received in the prior program year, so these priorities will continue to have funds directed toward them while likely reducing the allocation of HOME annual allocation funds directed towards multifamily activities.

The 2017 HOME allocation to TDHCA was slightly reduced from 2016 funding levels, but funding for single family activities increased overall as TDHCA began to program all non-CHDO set-aside multifamily HOME activities to be funded with program income, thereby increasing the amount of the annual funding programmed for single family activities. Funding for single family activities from the 2018 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, 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

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

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

HOPWA

HOPWA provides the following activities in line with priority needs:

- TBRA, which addresses Rental Assistance priority needs;
- STRMU, which addresses Homelessness Prevention priority needs;
- Facility-Based Housing Subsidy Assistance, which addresses emergency shelter and transitional housing rental assistance needs;

• Supportive Services Program, which addresses Supportive Services for PLWH priority needs; and
• PHP, which addresses Homelessness Prevention priority needs.

CDBG
The CDBG Program offers the following activities relating 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, and to revitalize downtown areas in rural communities.
• Public facilities such as community centers and public safety facilities are less common activities, but are valuable to LMI communities.
• Colonias SHC activities provide public services and housing funds for residents living in the designated colonias of El Paso, Hidalgo, Cameron/Willacy, Webb, Starr, Maverick and Val Verde counties.

NHTF
The NHTF Program activities for PY 2017 will be limited to construction of multifamily housing to address the priority needs of Rental Assistance and Production of New Units, promote leveraging of other fund sources. As this is a new fund source and a new program, the administrative burden of implementation is mitigated by using the funds within the well established multifamily finance structure.

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 are described in the Introduction. ESG, HOPWA and CDBG discuss special needs populations below.

ESG Serves Special Needs
ESG does not have funding allocation priorities for special needs populations. However, the 2017/2018 ESG NOFA included points for applicants that proposed to serve persons with higher barriers to housing including persons with serious mental illness, persons recently released from institutions, persons with substance use disorders, veterans, survivors of domestic violence, youth aging out of foster care, and persons transitioning out of incarceration.

In 2017, TDHCA adopted two new sections of 10 Texas Administrative Code to address compliance with the HUD Final Rule Implementing Violence Against Women Reauthorization Act of 2013 (“VAWA”). The new sections require certain forms to be distributed to applicants and program participants for short- and medium-term rental assistance in accordance with 24 CFR §5.2005(e). Also pursuant to 24 CFR

§5.2005(e), ESG Subrecipients are required to develop and follow an Emergency Transfer Plan.

HOPWA Serves Special Needs

Texas HOPWA serves PLWH and their household 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, Facility-Based Housing Subsidy Assistance, PHP, Supportive Services, and administrative expenses (not to exceed 7% of their allocation) and submit those to their Administrative Agents ("AAs") 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.

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 TDHCA was created and charged with the responsibility of coordinating all TDHCA's 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 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 serve this large area it is necessary for the State to use subrecipients to administer the programs funded under CPD. The selection processes for these entities are generally described below.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	**State Program Name:**	Colonia Economically Distressed Areas Program (CEDAP)
	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.	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").
	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:**	Colonia Planning and Construction Funds
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	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. 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: 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. Other Improvements - Other activities eligible under 42 USC Section 5305 designed to meet the needs of colonia residents.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	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. 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. 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).
	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:**	Colonia SHC Legislative Set-Aside (administered by TDHCA)
	Funding Sources:	CDBG CDBG Colonias Set-aside
	Describe the state program addressed by the Method of Distribution.	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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Approximately 42,000 residents live in the targeted colonias served by the Colonia SHC Program. The Colonia 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 approved by C-RAC. Households must earn less than 80% of AMI.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Colonia SHCs are statutorily required to establish SHCs in Cameron/Willacy, El Paso, Hidalgo, Starr and Webb counties. Statute allows for additional Colonia SHCs to be established if any other county if TDHCA deems it necessary and appropriate and if the county is designated an economically distressed area under statute. In 2001, TDHCA established additional Colonia SHCs in Maverick and Val Verde counties. Each Colonia SHC must serve five targeted colonias within the county it serves. The Colonia 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.
	Describe how resources will be allocated among funding categories.	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 Colonia 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.
	Describe threshold factors and grant size limits.	Maximum $1,000,000/Minimum $500,000 For the Colonia SHC, program rules limit the assistance to up to $1,000,000 per Colonia SHC per contract period. . If there are insufficient funds available to fully fund an application, the Administrator may accept the amount available and wait for remaining funds to be committed the next program year. Each program activity, such as new construction, rehabilitation, and tool library operation, for example, are limited to specific dollar amounts.
	What are the outcome measures expected as a result of the method of distribution?	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, these are Activities Benefiting LMI Persons.
4	**State Program Name:**	Colonias to Cities Initiative Program
	Funding Sources:	CDBG CDBG Colonias Set-aside

	Describe the state program addressed by the Method of Distribution.	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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The TDA will evaluate the following factors prior to awarding CCIP funds: • 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. If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component.
	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 Low and Moderate Income ("LMI") Persons
5	**State Program Name:**	Community Development Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	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. 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.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	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. The state scoring will be based on the following: 1. Past Performance- 12 points. 2. All project activities within the application would provide basic infrastructure or housing activities - 8 points. (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.)
	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.	64.83% (approximately) of the State CDBG allocation is allocated to this fund. In addition, deobligated funds may be allocated to the CD Fund according to the procedures described in the Additional Detail on Method of Distribution section following this table.

	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 ("CE") 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. Project category, with a priority for public health facilities; b. Community need; c. Sustainability, including appropriate partnerships and service providers; and d. 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.	Up to $5,000,000 in deobligated funds will be made available for the CE Fund on the first day of the 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
	Describe the state program addressed by the Method of Distribution.	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. 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. 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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	To qualify for the DR Fund: 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.

	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.	2% (approximately) of the State CDBG allocation is allocated to the DR Fund. Deobligated funds up to $2,000,000 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.
	Describe threshold factors and grant size limits.	Maximum $350,000/Minimum $50,000
	What are the outcome measures expected as a result of the method of distribution?	Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.
8	**State Program Name:**	General HOME Funds for Single-Family Activities
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	TDHCA awards single-family activity funds as grants and loans through a network of local administrators for Homeowner Rehabilitation (“HRA”), Homebuyer Assistance (“HBA”), and TBRA. Assistance length and term depends on the type of activity. Non set-side 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.

	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. Review of Applications All programs will be operated through direct administration by TDHCA, reallocation of deobligated funding and program income, or through the release NOFA with an emphasis on geographic dispersion of funds, particularly in rural areas of the state, using a Regional Allocation Formula ("RAF") which uses objective measures to determine rural housing needs such as poverty and substandard housing. For NOFAs, applicants must submit a complete application to be considered for funding, along with an application fee determined by TDHCA. Applications received by TDHCA will be reviewed for applicable threshold, eligibility and/or scoring criteria in accordance with the Department's rules and application review procedures published in the NOFA and/or application materials. Information related to NOFAs, application requirements and fees, and application review procedures and materials is available at http://www.tdhca.state.tx.us/home-division/index.htm. Selection Process Qualifying applications are recommended for funding to TDHCA's Board based on the Department's rules and any additional requirements established in the NOFA. Applications submitted for development activities will also receive a review for financial feasibility, underwriting and compliance under the HOME Final Rule as well as the Department's existing previous participation review process. The state may select subrecipients or state recipients as described in program rules and NOFAs, or may conduct a portion of HOME activities directly in accordance with §92.201. When administrators have not successfully expended the HOME funds within their contract period, TDHCA de-obligates the funds and pools the dollars for redistribution according to TDHCA's Deobligated Funds Policy at 10 TAC §1.5, and consistent with the reservation system and any open NOFAs. TDHCA may also reallocate these funds through a competitive NOFA process resulting in an award of funds.

	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 Direct Loan 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% HTCs.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	TDHCA's Texas Administrative Code Chapters 10 and 13 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. After a period of Regional Allocation, HOME Multifamily Direct Loan 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.

	Describe how resources will be allocated among funding categories.	Typically, of the HOME Multifamily Funds, 85% is available for general activities and 15% for Community Housing Development Organizations (“CHDOs”). However, the HOME Multifamily Direct Loan Program may make funds available annually or through a special purpose NOFA under the General, Supportive Housing/Soft Repayment, and CHDO Set-Asides, or may choose to have a preference or limitation for Persons with Disabilities.
	Describe threshold factors and grant size limits.	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 Direct Loan Program funds range from approximately $300,000 to $3 million per application in the form of a loan.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to LMI households.
10	**State Program Name:**	Local Revolving Loan Funds
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	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.
	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.	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:**	National Housing Trust Fund
	Funding Sources:	Housing Trust Fund
	Describe the state program addressed by the Method of Distribution.	It is planned that the NHTF Program will award loans to for-profit and nonprofit multifamily developers to construct multifamily affordable housing. Because the NHTF is required to benefit ELI households at 30% of AMI or less, the units will likely not be able to service a debt payment. The constraints on NHTF dictate that the funds typically be available as 0% interest, deferred payment loan, or as 0% interest cash flow loans, if required, to leverage with tax credits or other financing mechanisms.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	TDHCA's Texas Administrative Code Chapters 10 and 13 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 market and environmental studies. Additionally, the development must be near certain community assets. TDHCA Multifamily Direct Loan ("MFDL") Program funds are typically awarded on a first-come, first-served basis, as long as the criteria above are met. TDHCA will review and recommend NHTF (referred to under the umbrella term MFDL below) applications in accordance with the Multifamily Direct Loan Rule as follows: (1) Priority 1: Applications not layered with 2018 9% HTC that are received prior to the 2018 9% HTC Application deadline as described in 10 TAC §11.2 Program Calendar for Competitive Housing Tax Credits. Priority 1 applications will be prioritized on a first come first served basis within their respective set-aside and subregion or region. If the RAF has collapsed, applications will be reviewed on a first-come first served basis within their set-aside. (2) Priority 2: Applications layered with 2018 9% HTC will be prioritized based on their recommendation status for an HTC allocation. All Priority 2 applications will be deemed received on the Market Analysis Delivery Date as described in 10 TAC §11.2 Program Calendar. In order for an MFDL application layered with 2018 9% HTC to be considered complete, Applications for both programs must be timely received. Priority 2 applications will be recommended for approval at the same meeting when the Board approves the 2018 9% HTC allocations. Applications that will be recommended for 2017 9% HTC and are tied for MFDL under the scoring criteria will be further prioritized for funding based upon the scoring, tiebreaker and award criteria in 10 TAC Chapter 11 (the "QAP"). (3) Priority 3: Applications that are received after the 2018 9% HTC Application deadline on a first come first served basis for any remaining funds until the final deadline identified in the annual NOFA. Applications that will create new ELI units without preexisting vouchers or other rental subsidy may be prioritized, and additional criteria may be imposed for applications not layered with tax credits.
	Describe how resources will be allocated among funding categories.	NHTF will not be allocated among funding categories. The requirement to serve ELI households already meets a set aside category in TDHCA Multifamily programs.

	Describe threshold factors and grant size limits.	TDHCA's Uniform Texas Administrative Code Chapters 10 and 13 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 NHTF will be integrated into the TDHCA Multifamily Direct Loan Program. Award funds may range up to $3 million per application in the form of a loan for this program.
	What are the outcome measures expected as a result of the method of distribution?	Assistance to ELI households.
12	**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. In addition, deobligated funds may be allocated to this fund according to the procedures described in the Additional Detail on Method of Distribution section following this table.
	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
13	**State Program Name:**	State Mandated Contract for Deed Conversion Set-Aside
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	Following the 85th Legislative Session, Rider 6 of the TDHCA bill pattern within the General Appropriations Act for Fiscal Years 2018-19 requires TDHCA to identify funding sources and estimated funding levels for contract for deed conversions and other activities for families that reside in a colonia and earn 60 percent or less of the applicable 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.	Beginning in FY 2018, TDHCA will set aside $1,000,000 for Contract for Deed activities annually and will release 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.
14	**State Program Name:**	TCF Main Street Program
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Texas Capital Fund ("TCF") Main Street and Downtown Revitalization Programs award 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 Main Street Program for eligible Texas Main Street communities 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. 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.	4.7% of the State CDBG allocation is allocated to the TCF Main Street and Downtown Revitalization Programs; in addition, deobligated funds may be allocated for the these programs, up to a total funding amount of $3,000,000 . Program income funds may be transferred to this category on August 1 if such funds have not been utilized by other TCF programs (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.
15	**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.

	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 Real Estate and Infrastructure Development will focus upon the following factors: a. Job creation criteria: i. Cost-per-job, ii. Job impact, iii. Wage impact, and iv. Primary jobs created/retained; b. Unemployment rate; and c. Return on Investment. Once applications are evaluated and determined to be in the funding range the projects will be reviewed upon the following additional factors: 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.
	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.	11.9% of the State CDBG allocation is allocated to the Real Estate and Infrastructure Development Programs. 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. 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.
	Describe threshold factors and grant size limits.	Maximum $1,500,000/Minimum $150,000

	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
16	**State Program Name:**	TCF Small and Micro Enterprise Revolving Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The TCF Small and Micro Enterprise Revolving Fund will be offered as a component of the Main Street and Downtown Revitalization Programs.
	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.	Up to 1,200,000 in program income will be made available for the SMRF Fund.
	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

17	**State Program Name:**	Utility U Program
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	Utility U provides funds to cities and counties, in coordination with water and wastewater utilities, to provide job training opportunities in the utility field. Both classroom and on-site training methods provided by a community based development organization (CBDO) or similar organization shall provide critical utility industry skills to current and newly hired employees to create or enhance job opportunity.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The Utility U Program will be available to cities and counties only upon recommendation by two or more state or federal regulatory or funding agencies. These agencies are expected to evaluate the need for job training for a specific utility or group of utilities prior to making a recommendation to TDA. The utility must agree to employ the trainee for a minimum of two years following completion of the training.
	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 are available upon request.
	Describe how resources will be allocated among funding categories.	$0 are made available for the Utility U Program on the first day of the program year. If an eligible project is recommended for funding, up to $125,000 may be transferred to the program.
	Describe threshold factors and grant size limits.	Maximum $125,000/Minimum $30,000
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
18	**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 who are experiencing or at-risk of homelessness quickly regain stability in permanent housing. After a public input process on the draft NOFA during the summer of 2016, TDHCA ran a competition for a two-year award cycle for 2017 and 2018 funds. In the fall of 2016, TDHCA released a Request for Application for CoC lead agencies to run a local ESG competition in their areas. Applicants in the CoC regions in which the lead agency runs a local competition applied directly to the CoC lead agency for TDHCA ESG funding. Applicants in the CoC regions in which the lead agency is not running a local competition applied directly to the TDHCA for ESG funding. Ultimate award authority for all ESG funds remained with TDHCA's Board, and the awards were approved at the October 2017 and November 2017 TDHCA Board meetings. Before entering into a contract for 2018 ESG funds, TDHCA will determine how much funding is received by HUD and distribute the funding based on the proportional share that award received in the first year of the award cycle (with the exception of the onetime funds awarded to the Amarillo COC). For example, if the total received by TDHCA in year one was $8,000,000, and in year two is $8,500,000, the amount available to each Subrecipient before performance is considered will be approximately 105% adjusted proportionally. If the amount received by TDHCA for PY 2018 is less than PY2017, the amount available to each Subrecipient before performance is considered will be reduced proportionally from the first year award. Any funds remaining in first year contracts will be recaptured ninety days after the original end date in the 2017 ESG Contract. The recaptured funds, along with any disallowed costs, will be pooled options for awards as follows. The first step is to increase the award of ESG Subrecipients that received a partial award in 2017 award cycle. Once the partial award is increased to the amount requested, the remaining funds will be pooled. The next step depends on the amount of funding available. If the remaining funds are over $50,000, the funds will be used to fund the highest scoring Applicant that was not originally funded. If the remaining funds are less than $50,000, the funds will be distributed to awarded Subrecipient(s) that have had the highest amount of success in meeting their PY 2017 performance measures. Any funds returned to the Department from prior ESG awards before 2018 ESG awards are made, will be redistributed in accordance with the 2017/2018 NOFA, or as otherwise approved by the TDHCA Board.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	In the competitive process with TDHCA, applications are selected based on: Program Description and Capacity; Proposed Performance; Proposed Budget and Match; CoC Participation and Coordination; and Contract History of Subrecipients in ESG Expenditure and Reporting (negative scores only). The allocation amounts available in each CoC region are established by formula. Performance or benchmarks that could result in loss of some or all 2018 ESG funding include, but are not limited to, the following: 1. Delinquent submission of Audit Certification Form or required Audit. 2. Failure to expend 60% of 2017 funding nine months after the start date in the 2017 ESG Contract. 3. Failure to meet performance measurements by more than 25%.

	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)	For the competitive process, TDHCA released a NOFA in the winter of 2017 in anticipation of the State's receipt of ESG funding. The NOFA was for a two-year award cycle; for an award of ESG 2017 and anticipated 2018 funds. A two-year award cycle allows Subrecipients to offer up to 24 months of assistance for medium-term rental assistance (previously Subrecipients were limited to the number of months within their contracts, which is 12 months or fewer), and to spend more time on program activities than applying for funds. TDHCA encourages collaboration among homeless service providers by allowing the submission of a Collaborative Application. A Collaborative Application is an application that has a lead applicant and partner agencies. The lead applicant is an organization that submits the ESG application and, if awarded, will have a contract with TDHCA. The partner agencies will have a legal relationship with the lead applicant to receive ESG funding in return for performance and reporting, as established during the application process. Collaborative Applications are often more competitive than single applicants because the lead applicant's and partner organizations' performance, which is part of the application which has the highest potential for points, is combined into one application. Eligible applicant organizations are Units of General Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may be eligible and should seek guidance from TDHCA to determine if they can apply. Governmental organizations such as Public Housing Authorities ("PHAs") and housing finance agencies are not eligible and cannot apply directly for ESG funds; however PHAs may serve as a partner in a collaborative Application, but may not be the lead applicant. These same criteria will apply to those applicants awarded directly by the CoCs as well. Eligible applicants 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.

	Describe how resources will be allocated among funding categories.	ESG funds may be used for six program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, HMIS or HMIS-comparable database, and administrative activities. In order for TDHCA to meet the requirement of no more than 60% of funds expended in street outreach and emergency shelter per 24 CFR §576.100(b), applicants that apply directly to TDHCA cannot propose budgets in excess of the 60% cap on those two activities. The 60% limit per Application is waived for a competition run by the local CoC lead agency because the CoC lead agencies will ensure that the combined amount recommended for ESG awards in the CoC will not exceed 60% in street outreach and emergency shelter. For a CoC region with a local competition, one Applicant for ESG may propose to serve more than 60% street outreach or emergency shelter only if the recommendations for awards from the CoC lead agencies balance the distribution of funding so that the overall award recommendations result in less than 60% for street outreach and emergency shelter. Persons experiencing homelessness and homelessness resources are often concentrated in urban areas. While the need in urban areas for resources is great, there are large areas of Texas that do not receive ESG funds directly from HUD. The 2017/2018 ESG NOFA established a system of scoring where applicants receive more points for clients they serve in rural areas and colonias.
	Describe threshold factors and grant size limits.	Due to having an extremely large Balance of State CoC made up of mostly rural areas, TDHCA set separate thresholds for grant size limits outside and inside the Balance of State CoC for the 2017/2018 NOFA. Within the Balance of State CoC region, Applicants could have requested no less than $100,000 per year, and a maximum of $150,000 per year. For a Collaborative Application in the Balance of State CoC, the minimum request could have been $100,000 per year. The maximum request amount was $150,000 per year, times the number of partners in the Application, with a maximum request of $600,000 per year. For example, a Collaborative of 3 agencies could request up to $450,000 per year ($150,000 X 3 partners= $450,000). The $450,000 per year can be budgeted among all partners as agreed by all partners. Outside the Balance of State, the minimum request for a Collaborative Application was $200,000 per year, unless the amount available in the region is less than $200,000 per year. In those cases, the minimum request is no less than the available allocation for that region. The maximum request amount is $200,000 per year times the number of partners in the Application, with a maximum request of $600,000 per year. For example, a Collaborative Application made up of 3 partners may apply for a total grant amount of $600,000 per year ($200,000 x 3), but can decide to budget $300,000 for Agency 1, $250,000 for Agency 2, $50,000 for Agency 3.

	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, with a broad distribution of funding to reach as many areas of the state with quality services as possible. The expected outcome of TDHCA's plan to allow local competitions is that the same will be accomplished, but with CoC-wide planning rather than with only State planning.
19	**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.	Information on grant applications, available funding opportunities, application criteria, etc. can be found on the DSHS website: http://www.dshs.texas.gov/fic/default.shtm. Contracting and procurement services for DSHS HOPWA is overseen by the Texas Health and Human Services Commission Procurement and Contracting Services ("PCS") Division. This division handles the solicitation, contract development, contract execution, and is the office of record for DSHS's contracting needs. 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%.
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	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.

	Describe how resources will be allocated among funding categories.	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 household 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, Facility-Based Housing Subsidy Assistance, 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.
	Describe threshold factors and grant size limits.	Texas HOPWA serves PLWH and their household members, all of whom are at or below 80% of AMI. The majority of HOPWA clients are classified as extremely low income, which is between 0% and 30% of AMI.
	What are the outcome measures expected as a result of the method of distribution?	TBRA, STRMU, Facility-Based Housing Subsidy Assistance, and Supportive Service activities each have their own outcome measures. TBRA measures housing stability by assessing a household's destination at the end of the service. STRMU measures housing stability by assessing a household's housing status at the end of the service. Facility-Based Housing Subsidy Assistance measures housing stability by assessing a household's destination at the end of the service. Supportive Services measures access to health care and supportive services outcomes at the end of the service.
20	**State Program Name:**	Texas Small Towns Environment Program Fund
	Funding Sources:	CDBG

	Describe the state program addressed by the Method of Distribution.	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. 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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	STEP assistance is available as needed. The following are the criteria to be used by CDBG staff for assessments and applications under the Texas STEP Fund: 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
	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 $700,000 are made available for the STEP Fund on the first day of the program year.
	Describe threshold factors and grant size limits.	Maximum $350,000/Minimum $0

	What are the outcome measures expected as a result of the method of distribution?	Activities Benefiting LMI Persons
21	**State Program Name:**	Urgent Need Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	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. 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.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	To qualify for the UN Fund: 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. 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.

	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.	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 2017 PY as needed.
	Describe threshold factors and grant size limits.	Maximum $250,000/Minimum $25,000
	What are the outcome measures expected as a result of the method of distribution?	Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community
21	**State Program Name:**	State Revolving Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	TxCDBG retains the program income generated by economic development activities and reinvests the funds to continue supporting economic development activities.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Application Guides for the Texas Capital Fund Real Estate and Infrastructure Development Programs, Main Street / Downtown Revitalization Programs and the Small and Micro Enterprise Revolving Fund can be found on the TDA website.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Application Guides for the Texas Capital Fund Real Estate and Infrastructure Development Programs, Main Street / Downtown Revitalization Programs and the Small and Micro Enterprise Revolving Fund can be found on the TDA website.
	Describe how resources will be allocated among funding categories.	Program Income generated by the State Revolving Fund will be allocated to the Texas Capital Fund Real Estate and Infrastructure Development Programs, Main Street / Downtown Revitalization Programs and the Small and Micro Enterprise Revolving Fund.
	Describe threshold factors and grant size limits.	The amount of program income generated will determine the amount of funds available.
	What are the outcome measures expected as a result of the method of distribution?	Activities Benefitting LMI Persons through Job Creation/Retention and the elimination of slum and blight conditions.

Discussion:

The distribution process for 4% HTC Program, 9% HTC Program, HHSP, State Housing Trust Fund Program, MCC Program, My First Texas Home Program, NSP PI Program, Section 8 HCV Program, Section 811 PRA Program, and TCAP RF 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 output 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 information for Allocation of CDBG program income and deobligated funds has been provided as an attachment.

AP-35 Projects – (Optional)

Introduction:

Per the IDIS Desk Guide, Project-level detail is not required for a state grantee's Annual Action Plan. Once a state grantee has allocated funding via its Method of Distribution, the state grantee will use the Projects sub-menu in IDIS Online to add its projects for the program year. However, in order for accomplishments to associate to the goals listed in the plan, projects must be entered in the Action Plan template. Given this, it will be necessary to amend the plan and resubmit it after the projects have been added. As such, Texas will enter projects as amendments to the 2018 OYAP as necessary.

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

Because no projects have been entered to date 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/recovery/reporting/action-plans/index.html

OMB Control No: 2506-0117 (exp. 06/30/2018)

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 and Main Street Development Program are 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 Main Street component is available to communities designated as an official Texas Main Street City by the Texas Historical Commission. The programs are 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. Awarded cities may also request Small and Microenterprise Revolving Fund (SMRF) funding to provide loans to downtown businesses that commit to create or retain jobs.

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)
Introduction

Distribution Methods

State Program Name	Funding Sources
Colonia Economically Distressed Areas Program (CEDAP)	CDBG CDBG Colonias Set-aside
Colonia Planning and Construction Funds	CDBG CDBG Colonias Set-aside
Colonia SHC Legislative Set-Aside (administered by TDHCA)	CDBG CDBG 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
Local Revolving Loan Funds	CDBG
National Housing Trust Fund	Housing Trust Fund
Planning/Capacity Building Fund	CDBG
State Mandated Contract for Deed Conversion Set-Aside	HOME
TCF Main Street and Downtown Revitalization Programs	CDBG
TCF Real Estate and Infrastructure Development Programs	CDBG
TCF Small and Micro Enterprise Revolving Fund	CDBG
Texas ESG Program	ESG
Texas HOPWA Program	HOPWA
Texas Small Towns Environment Program Fund	CDBG
Urgent Need Fund	CDBG
Utility U Fund	CDBG

Table 9 - 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 Colonia SHC staff and counties 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

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

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

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

HOPWA Addresses Geographic Areas for Assistance
The Texas HOPWA funding allocations are geographically distributed according to the 26 HIV HSDAs. Allocations are based on several factors, including past performance of Project Sponsors and unmet need, with the majority of Texas HOPWA clients (90% in 2016) 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 a disproportionate number of PLWH are racial and ethnic minorities, so the program allocates funding to meet the needs of PLWH in Texas.

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

1. The CD Fund assigns a percentage of the annual allocation to each of the 24 Regional COGs, ensuring that each region of the state receives a portion of the funds.
2. The Colonia Fund directs funding to communities within 150 miles of the Texas-Mexico border. All remaining funds are distributed through state-wide competitions without geographic priorities.
3. Colonia SHCs are established along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb, Maverick, Val Verde, and El Paso counties. The Colonia SHC Program serves approximately 35 colonias in seven border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

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

Geographic Distribution

Target Area	Percentage of Funds
State of Texas	100

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

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

ESG Addresses Geographic Investments
TDHCA released the allocation formula for public comment with the draft NOFA in summer of 2017 and again in fall of 2017. CoC regions make funding available for competition according to the combination of the region’s proportionate share of the state’s total of a number of factors. Factors used in the 2017 ESG distribution were homeless population, people living in poverty, cost burden of renters, point in time counts and 2016 ESG funds from federal and state sources.
During the hurricanes of the summer of 2017, TDHCA worked with the local HUD office to identify unobligated ESG funds and directed the money to disaster affected areas. This one-time expenditure as a result of the disaster was a result of an immediate need identified by the State and approved by HUD.

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

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

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

For the Colonia SHCs, state legislative mandate designates five centers along the Texas-Mexico border in

Cameron/Willacy, Hidalgo, Starr, Webb and El Paso counties to address the long history of poverty and lack of institutional resources. In 2001, TDHCA added two additional Colonia SHCs in Maverick and Val Verde counties. These two counties collectively have approximately 42,000 colonia residents who may qualify to access center services.

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

Discussion

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

NHTF Geographic Priorities
The Texas NHTF will distribute NHTF funds through a competitive NOFA process. The funds will initially be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within each region prior to collapse into a statewide competition.

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

Affordable Housing

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

Introduction:

Affordable Housing goals for PY 2018 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	8,663
Non-Homeless	596
Special-Needs	1,063
Total	10,322

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	4,569
The Production of New Units	134
Rehab of Existing Units	137
Acquisition of Existing Units	27
Total	4,867

Table 12 - 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.

The one year goals for TDHCA's NHTF Program include rehabilitation of multifamily units, and construction of new 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, Facility-Based Housing Subsidy Assistance, 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 1,063 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. 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, acting 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 HCV vouchers to serve people with disabilities living in certain institutions by transitioning them into residences 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/NHTF 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, for either on-going rental assistance or as a stand-alone program which provides security deposits with TBRA funds, enabling them to provide households with rental assistance and services to increase self-sufficiency.
Regarding HOME/NHTF 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 HUD's 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, NHTF, 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 usually PJs and, as such, are limited by state law in the HOME funding they may receive through TDHCA. Consistent with fair housing objectives, TDHCA seeks ways to accomplish these activities in a manner that disperses the placement of PHA units including dispersion into areas of greater opportunity and not into areas that involve unacceptable site and area features.

TDHCA has a history of assisting troubled housing authorities and has absorbed vouchers from several PHAs that were having difficulties. HUD identified, in two separate instances, public housing authorities that it thought might be well-advised to have its voucher programs absorbed by TDHCA. The Navasota Housing Authority and the Alamo Area Council of Governments (which was operating as a PHA) each contacted TDHCA to discuss the possibility of absorbing their housing choice voucher programs. During a series of meetings with HUD staff and the PHAs, discussion resulted in multiple on-site visits. Ultimately, the Navasota Housing Authority and the Alamo Area Council of Governments transferred their voucher programs to TDHCA and HUD reassigned the files' PHA codes.

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 participants in some of its programs, such as the HTC Program, and HOME 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/NHTF. 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.

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, TDHCA requires each ESG Subrecipient to set performance targets that are part of its scoring criteria for the NOFA. For Collaborative Applications, the performance targets to serve certain numbers of persons or households or meet a certain percentage of outcomes not only applies to the ESG Subrecipient, but is extended to the agreement the ESG Subrecipient had during the application process with its collaborative partners. 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.

ESG is one of several programs that work to help 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. Subrecipients serving clients through street outreach will be measured against their targets to help persons experiencing homelessness move into temporary, transitional or permanent housing. Subrecipients conducting street outreach may provide case management, such as assessing housing and service needs; arranging, coordinating, and monitoring the delivery of services; and planning a path to permanent housing stability.

ESG Subrecipients are required to describe how they provide outreach to sheltered and unsheltered homeless persons in the ESG application. For example, a 2017 ESG Subrecipient that provides outreach to sheltered and unsheltered homeless persons is City House and its partners in Plano. These organizations focus on runaway and homeless youth up to 21 years old.

Their resource center is located along public transportation line in Plano, and homeless, runaway, and street youth are helped to find stable housing and services. Street Roving teams meet the street youth/young adult were they are and work to rebuild trusting relationships with adults. Staff provides street-based education and outreach, access to emergency shelter, survival aid, trauma-informed treatment, information and referrals. City House has a hotline number accessible 24 hours a day, and responding staff members are able to provide emergency shelter and transitional housing to youth and young adults.   For those over age 21, City House and its partner have partnerships with local churches and hotels to provide housing when needed.

For clients receiving emergency shelter, rapid re-housing, or homelessness prevention, 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 are 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 provides support to organizations that provide emergency services and shelter to homeless persons and households.

If assisting persons experiencing homelessness that are in an emergency shelter, Subrecipients will be measured against their annual targets serve clients with essential services and to help persons experiencing homelessness move into temporary, transitional or permanent housing. If assisting persons with rapid re-housing or homelessness prevention, Subrecipients will be measured against their annual targets to help persons experiencing or at-risk of homelessness maintain housing for 3 months or more, exit to a permanent housing destination, or gain a higher income.

During the 2017/2018 ESG Application process, many of the applicants reported using the Vulnerability Index Service Prioritization Decision Assistance Tool (VI SPDAT). An example of a Subrecipient in 2017 which addresses the emergency shelter and transitional housing needs of clients San Antonio Metropolitan Ministries (SAMMinistries) and its partners, who use the VI SPDAT with its Coordinated Entry System. The VI SPAT tool indicates the most vulnerable individuals and/or families and will define the types of housing interventions needed; such as, emergency shelter, transitional housing, rapid re-housing or other permanent housing. SAMMinistries and its partners meet weekly to review the Coordinated Entry list and determine how those individuals can be housed most efficiently.
Chronically homeless individuals are prioritized in the Coordinated Entry System and those individuals presenting with the greatest needs will be provided services first. Individuals or families in need of more intense services may be referred for a transition program. Others, using the Housing First model of low barriers for entrance, may be ready for permanent housing and/or independent living. The Housing Specialist assists the client with the landlord, leases and any other processes required in order to get the

client(s) housed.

For veterans, SAMMinistries operates a Veteran's Housing Stability Program which provides Rapid ReHousing and Homeless Prevention to veterans and eligible dependents. SAMMinistries and its partners are also active partners in the local Veterans Homeless Work Group, which includes representatives from several non-profits and the City of San Antonio ensuring that a "by name" list of homeless veterans are regularly reviewed and referred for housing. Supportive services available to clients in the programs include coordination/case management, physical and mental health services, substance abuse management and recovery support, employment services, literacy and education, youth and children's programs, money management and parenting classes. Case Managers will meet with participating tenants no less than two times per month to promote self-sufficiency and maintain and secure permanent housing. Additional referrals offered to individuals and families include counseling, access to medical and dental resources and financial literacy classes.

In addition, the State considers transitional housing as having characteristics associated with instability and an increased risk of homelessness, which may allow clients living in 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

Per 24 CFR §576.106, ESG funds can be used for short-term and medium-term rental assistance. Per 24 CFR §576.105, ESG funds can be used for a variety of housing relocation and stabilization services such as 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. It should be noted that, while the assistance listed above are eligible under ESG, an ESG Subrecipient may choose to not provide all the assistance listed. ESG Subrecipients specify in their written standards which services they will provide.

An example of an ESG Subrecipient in 2017 which helps persons experiencing homelessness make the transition to permanent housing and preventing homelessness again is the Salvation Army of Houston and its partners. Although this ESG Subrecipient has a contract for only Emergency Shelter and HMIS with TDHCA, they have established relationships with other housing providers and have funding from other sources to offer an array of services. The ESG Subrecipient and its partners create collaborative relationships with clients by guiding them in the direction of positive change, leading with autonomy and recognizing they are the experts of their own lives. This approach respects concerns of clients and helps staff guide clients in setting appropriate goals and engaging in activities necessary for them to make a successful transition to permanent housing and independent living. The rapid re-housing and homelessness prevention program has Housing Navigators and Outreach Housing Navigators to aid homeless individuals in the transition to permanent housing. Navigation supports clients throughout the housing process, helping them complete applications, attend voucher briefings, search for units, and advocate on their behalf whenever needed. Other funding sources provide financial assistance such as rental deposits, utility deposits, application fees and administration fees to help clients overcome barriers to housing. After individuals obtain housing, the Salvation Army of Houston and its partners help them create a home by providing them with access to furniture through the Houston Furniture Bank and welcome baskets that contain necessary household items.

The Salvation Army of Houston and its partners continue to provide supportive services to clients when they first become housed by offering move-in supplies, employment assistance, and general support. The Salvation Army of Houston uses Homeless Prevention funding specifically for the purpose of shortening and preventing young adult homelessness experience. Funds will be used to prevent those who were formerly homeless from becoming homeless again by preventing eviction. The Salvation Army of Houston will also utilize bridge beds that can help those waiting for housing to shorten their homeless experience. By supporting a system that prioritizes those most vulnerable and provides navigation support to those most in need, the Salvation Army of Houston and its partners are working to reduce the length of time those persons spend on the streets. The current goal for move in is no more than 60 days following approval of a housing voucher. Individuals are often challenge by the complexities of housing authorities and rental markets and can easily be deterred by barriers. Dedicated staff advocates for clients and help guide them through the process so they are not lost by complexities of the housing system and can be successfully housed.

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

ESG funds promote coordination with community providers and integration with mainstream services to gather available resources. One possible performance measure for Subrecipients is their ability to help increase non-cash benefits for program participants; the Subrecipients help program participants obtain non-ESG resources, such as veterans benefits or food stamps. An example of a 2017 ESG Subrecipient that helps individuals and families avoid becoming homeless is the City of Amarillo and its partners. In their 2017/2018 ESG application for funding, they stated that one of the strengths of the active CoC in Amarillo is its different perspectives, resources, abilities, and community connections that provides the ability to intervene with clients. Through the efforts of the CoC Board, Coordinated Assessment has been designed so that participating agencies can better meet presenting needs. Through the CoC, homeless shelters, service providers, and mental health facilities all collaborate to provide referrals for mentally ill clients that are experiencing chronic homelessness. The CoC has developed a policy where mental health agencies and other social service agencies contact the City of Amarillo to assist in providing permanent housing prior to discharge. Also, an interagency report allows for a host of different services available for various situations, demographics, and level of complications. There is regular discussion at the monthly community case managers meeting how to make the transition to being self supporting as seamless as possible. Case management and directed to services will include safety planning for victims of domestic abuse and creating case plans to address vulnerable areas prior to victims leaving an abusive household.

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 provide Facility-Based Housing Subsidy Assistance to address the temporary housing assistance needs of persons transitioning from institutions. TDHCA has received awards totaling more than $24 million for the Section 811 PRA Program, which will provide more than 600 new integrated supportive housing units in eight areas of the state for extremely low-income individuals with disabilities and their families. The target population includes 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 the Texas Health and Human Services 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 transitioning 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. The TDHCA Governing Board has approved changes to Project Access since it began in 2002 based on input from advocates and the HHS agencies including 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.

TDHCA offers TBRA to individuals on the Project Access Wait List, allowing them to live in the community until they can utilize a Project Access voucher. 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 Project Access wait list.

To further address the needs of individuals transitioning from institutions, HHSCC 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 between TDHCA and 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	350
Tenant-based rental assistance	485
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	47
Total	1,032

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

Introduction:

The Phase 2 Analysis of Impediments ("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 utilizes a database to track agency goals, efforts, and progress made under the Phase 2 AI. The Fair Housing Tracking database provides the Department with an ability to pull basic metrics and provide reports by AI Goals, Impediments, Action Items, and other meaningful search criteria. This assists the state in identifying areas of improvement and success under its HUD related obligation to affirmatively further fair housing choice. The design of the database was completed in 2014. The content of the database is maintained on an ongoing basis with quarterly reports shared with TDHCA's governing board.

The AI included several suggestions on countering negative effects of public policy as it concerned two areas – land use and zoning and attitudes referred to as "Not-In-My-Backyard" ("NIMBYism"). In order to avoid the difficulty, expense, and uncertainty that NIMBYism can engender, developers often focus on areas where their proposed developments are less likely to meet with such resistance. Changes in the scoring of the State's HTC Program provide incentives to develop in opportunity areas. Opportunity areas include places with low poverty rates, higher income areas, and a menu of other community amenities such as access to public transportation, parks, libraries, grocery stores, and recreational facilities.

Cases of NIMBYism can be difficult to document and track; it is hard to measure where NIMBYism occurs most often. The cases of NIMBYism most often associated with proposed multifamily developments appear anecdotally to be more likely, although not exclusively, in areas with socioeconomic and housing homogeneity. To assist the State in gathering data on how development patterns can be 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 are provided through TDHCA's Fair Housing website, along with the Fair Housing listserv and community events calendar

TDHCA and the Texas Workforce Commission Civil Rights Division ("TWC CRD") annually collaborate on a Fair Housing webinar series. The series includes training sessions providing general fair housing information and specific sessions on HUD's guidance, how to respond to reasonable accommodation requests, and best practices in fair housing. The webinars are available for free 24/7 on TDHCA's website at: https://www.tdhca.state.tx.us/fair-housing/presentations.htm. In addition, effective April 2017, all TDHCA staff will complete a fair housing training module biennially. The HUD-approved training is provided online through TWC CRD.

For CDBG and HOPWA, see additional information in AP-80.

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 actions within TDHCA's power. The Department's Fair Housing, Data Management, and Reporting group continues ongoing interviews with Division Directors. 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, HHSCC, 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.

In 2016, the TWCCRD received a HUD Partnership grant for enforcement, outreach, and education. With the grant, TWCCRD focused its outreach in some of the fastest growing and most underserved areas of the State, including the Rio Grande Valley and the metropolitan areas surrounding Dallas, Austin, and Houston. TWCCRD also provides training and attends conferences and educational events related to the issue of disability discrimination prevention. TWCCRD will continue utilizing social media, online advertising, outreach materials for distribution in the targeted areas, events and educational audiovisual materials to expand the number of individuals reached.

On August 17, 2015, the United States Department of Housing and Urban Development ("HUD") adopted the final Affirmatively Furthering Fair Housing Rule ("AFFH"), 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. AFFH 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." AFFH 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, pending release of the final state AFH tool. The state AFH tool is not currently available, under 24 CFR 5.160(a)(3)(2017) program participants shall continue to conduct an analysis of impediments in accordance with requirements in effect prior to August 17, 2015, until the state AFH tool is available.

Discussion:

In 2015 TDHCA revised the Uniform Multifamily rules to guide owners and managers in identifying "least likely to apply" populations using HUD's definition of minority concentration and seek to clarify and expand on HUD's definition of a "market area." Staff created a multifamily affirmative marketing tool to assist in comparing tenant pool data (or in the case of new construction developments, census tract demographic data) to metropolitan statistical areas ("MSA") or county demographic census data. The tool is web based and has been effective in helping properties better strategize in affirmative marketing and continues to be an ongoing action step. 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.

Effective August 24, 2017, the Department created a Fair Housing, Affirmative Marketing and Reasonable Accommodations rule under the single family programs umbrella rule. The rule requires administrators to have an affirmative marketing plan which identifies the least likely to apply populations and methods of affirmative marketing. The rule requires Administrators to accept applications for a 30 day period and select applications via a neutral, random selection process. This selection process helps to level the playing field and provide equal access for all households, regardless of disability status or language proficiency. Also included in the rule are specific provisions related to Limited English Proficiency to provide meaningful access and an equal opportunity to participate in services, activities, programs, and other benefits.

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 providing 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, has collaborated on Fair Housing month activities, 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. 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.

The Fair Housing Team has over 200 action steps tracked in TDHCA's Fair Housing Tracking Database in various stages of research, planning, and implementation to affirmatively further fair housing.. 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 has a 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 includes fair housing toolkits and resources, links to the Fair Housing email list and community events calendar, and a consumer survey. A portion of the available toolkits are 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

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. 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% 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 Colonia 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

Colonia set-aside funding is intended to improve the living conditions of low and moderate income families in colonias, including basic human needs. As with all CPD funds, Section 3 goals encourage job, contracting, and training opportunities for qualifying residents when such opportunities become available as a result of grant funding.

The Colonia SHCs provides 35 targeted colonias in seven border counties with a multitude of opportunities to create a one-stop-shop for low-income colonia families to gain a foothold out of poverty. The Colonia SHCs provide housing services in the form of new construction, reconstruction, rehabilitation, small repairs, tool lending, construction skills training and utility connections. Colonia SHC community development activities include homeownership education, access to and training in computers/technology, consumer rights education and financial literacy, and solid waste disposal assistance. While the above listed services are limited only to residents of pre-identified colonias in the Colonia SHC Program, the centers themselves are open to all who wish to use the meeting space for activities beneficial to the community or simply to seek information on locating other services. By creating an accessible and consistent manner for which services and information are disseminated among colonias, more households can become beneficiaries of multiple kinds of assistance that build their self-sufficiency over time.

Actions the state plans to take to develop the institutional structure

TDHCA and TDA are committed to working with other state and federal regulatory and funding agencies. The Colonia Interagency Workgroup previously used to facilitate this coordination specifically for areas with colonias has been discontinued for the current year. Agency coordination continues through the Texas Water Infrastructure Coordinating Committee (“TWICC”). TWICC includes many of the same agencies and addresses concerns throughout the state, including those in colonias. The information sharing within the group facilitates delivery for multiple programs besides affordable housing, and proactively addresses potential obstacles that could affect large areas of the state, including the Texas–Mexico border.

The state legislature has also set aside a portion of the CDBG administration funding for technical assistance and administrative support provided by the regional Councils of Government (COGs). This funding can provide institutional structure and assistance to small communities without administrative resources.

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 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, NHTF, 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/NHTF Addresses Underserved Needs
Obstacles to meeting underserved needs with HOME or NHTF 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/NHTF 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 is considered implementing subregions within the Balance of State CoC region to ensure broad range of homeless coverage but, due to public input, decided not to implement sub-regions. However, TDHCA did add a provision in the ESG funding allocation formula to include a minimum amount of $100,000 per ESG CoC region, which includes underserved areas of the State that have not received ESG funds from TDHCA in several funding cycles. The minimum amount of funding was an effort to encourage greater participation in these areas. In addition, 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, and, in the future, the state’s Ending Homelessness Fund, 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.

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 households 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 2018 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 colonias’ issues, but unmet needs still exist and the Texas-Mexico border population growth is still increasing. OCI's main obstacle in addressing colonias’ 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 grants, 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 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.

ESG Addresses Affordable Housing
TDHCA’s ESG Subrecipients have a relatively even distribution among street outreach and emergency shelter compared to homelessness prevention and rapid re-housing. However, fostering the creation or maintenance of affordable housing is not an initiative TDHCA provides funding for or monitors in

relation to the ESG Program.

HOPWA Addresses Affordable Housing
The cost of living continues to rise while clients may have no income or their income does not change or decreases. HOPWA makes housing more affordable for low-income clients so they can maintain housing, adhere to medical treatment, and work towards healthier outcomes. Project Sponsors address long-term goals with 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 maximize and target HOPWA funding to HSDAs in greatest need. DSHS will consider a variety of factors including HIV/AIDS morbidity, poverty level, housing costs and needs, and program waitlists and expenditures. Funds are reallocated between HOPWA activities within HSDAs to meet changing needs during the project year.

CDBG Addresses Affordable Housing
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 eligible residents. Housing rehabilitation projects are prioritized in several fund categories and TDA encourages each region to set aside a percentage of their 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.

NHTF Addresses Affordable Housing
NHTF funds are provided to developments assisted by or through entities including public organizations, nonprofit and for-profit organizations, and PHAs. These funds are primarily used to foster and maintain affordable housing by providing funding for preservation of existing affordable developments or construction of new affordable developments.

Credits awarded through the HTC program can be layered with awarded funds from the NHTF program and/or the HOME Multifamily Direct Loan 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.

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. New Subrecipient program staff are required to review the ESG Learning Opportunity related to habitability, which includes lead-based paint regulations and TDHCA's requirements related to such. ESG Learning Opportunities are webinars offered the first Wednesday of each month by TDHCA staff providing technical assistance or facilitating peer-to-peer learning. For lead-based paint requirements, TDHCA has stated in the ESG Learning Opportunity on habitability that ESG-funded Subrecipients must 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. In addition, 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 or a pregnant woman 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.

NHTF Addresses Lead-based Paint

The NHTF Program will not fund rehabilitation activities with PY 2017 funds; therefore, this section is not applicable.

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, security deposits, and utility deposit assistance for an initial term not to exceed 24 months. Providing of security deposits may be offered as a stand-alone program. 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 within 150 miles of 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 persons experiencing homelessness, as well as intervention services for persons threatened with homelessness. Essential services for persons experiencing homelessness can 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, 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 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 90% in 2017, 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.

NHTF Addresses Poverty-Level Households

NHTF allocates funding toward the rehabilitation and construction of affordable housing restricted to serve ELI households with affordable rents. These affordable units will allow households to have greater housing security and stability, and will ameliorate some of the negative impacts of living in poverty through provision of decent, safe and affordable housing.

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 administering an ongoing rental assistance program with 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

Through its collaborative application process, TDHCA encourages organizations to work together to provide an array of services to serve persons experiencing homelessness. A lead entity can submit a Collaborative Application by partnering with up to five other separate organizations (for a total of six organizations) that bring other types of expertise and experience to the proposal. Each Collaborative Application must designate one organization as the lead organization. During the preparation of the application, the lead entity is responsible for gathering all necessary information from its partners and submitting a single application for the entire group. If selected, the lead entity will be the entity that executes the contract with TDHCA and is responsible for all activities under the contract with the State.

Due to input from the local competition process in 2016, TDHCA made a change in the 2017/2018 ESG application to allow for an organization to submit more than one application in a CoC region. In 2016, an organization could only submit one application per CoC region, either as a single entity or as part of a collaborative effort. In 2017/2018, an organization could be the lead in one application and a partner in another application within the same CoC, but not submit two applications as the lead organization in the same CoC region. This change allowed for greater collaboration within each CoC for each ESG activity.

Furthermore, TDHCA changed the application amount structure to address public input that some partnerships incentivized in ESG application process were not meaningful. In the ESG application process, collaborative applicants can request more funding for each partner. TDHCA received input that some partners received very little funding from the lead applicant but were included as a partner so that the lead applicant could apply for more funding. In the 2016 ESG application process, collaborative applicants could request $125,000 for each partner. In the 2017/2018 ESG application process, collaborative applicants could request $200,000 for each partner outside the Balance of State CoC, and $150,000 for each partner inside the Balance of State CoC. This change incentivizes partnerships while also reducing the need for partners that were part of the application only in order for the applicant to request more funding.

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.

NHTF Addresses Institutional Structure
The NHTF Program encourages partnerships in order to improve the provision of affordable housing. Partnerships with nonprofit and private-sector organizations facilitate the development of quality rental housing developments. Development owners are required to provide tenant services to address the needs of ELI households living in the development.

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 that 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; 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.

The HHSCC is codified in Texas Government Code §2306.1091. The purpose of the Council is to increase state efforts to offer Service-Enriched Housing through increased coordination of housing and health services. The Council 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. Service-Enriched Housing is defined in Title 10 Texas Administrative Code, Part 1, Chapter 1, Subchapter A, §1.11 as: integrated, affordable, and accessible housing that provides residents with the opportunity to receive on-site or off-site health-related and other services and supports that foster independence in living and decision-making for individuals with disabilities and older Texans.

Council members meet quarterly and provide direction to the staff to prepare a Biennial Report of Findings and Recommendations that is submitted to the Legislative Budget Board and the Office of the Governor on August 1 each even numbered year. This Report along with a Biennial Plan is available to the public on the TDHCA website at http://www.tdhca.state.tx.us/hhscc/biennial-plans.htm.

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 for PY 2016 and that has not yet been reprogrammed will be $2,100,000, including $520,000 program income collected by the state and program income retained by local subgrantees. The amount of CDBG urgent need activities is estimated to be $4,700,000. The 85% of CDBG funds to benefit persons of low to moderate income includes PY 14-17.

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	2,100,000
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:	**2,100,000**

Other CDBG Requirements

1. The amount of urgent need activities	3,500,000
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:
   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.
   Number of years remaining in the Period of affordability X Total direct HOME subsidy = Recaptured Amount
   Period of affordability
   B. The recapture amount is subject to available net proceeds in the event of sale or foreclosure of the housing unit. In the event of sale or foreclosure of the housing unit, if the net proceeds (i.e., the sales price minus closing costs; any other necessary transaction costs; and loan repayment, other than HOME funds) are less than the HOME investment that is subject to recapture, then the Department will recapture the available amount of net proceeds. 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. TDHCA will not recapture more than the amount available through net proceeds.
   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 activity the State administers that is otherwise 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 no 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 a federal affordability period is required and the assisted property is rented or leased, or no member of the Household has it as the Principal Residence, the HOME investment must be repaid. In the event that a federal affordability period is required and the assisted property is sold or transferred in lieu of foreclosure to a qualified low income buyer at an affordable price, the HOME loan balance shall be transferred to the subsequent qualified buyer and the affordability period shall remain in force to the extent allowed by law.

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.

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 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, Chapters 10 and 13, for refinanced properties in accordance with its administrative rules.

Emergency Solutions Grant (ESG)
Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

ESG Written Standards are evaluated based on questions that are in the 2017 One Year Action Plan. These questions will be maintained for the 2018 program year due to the two-year award cycle, but re-evaluated in 2019.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Each of the 11 CoCs in Texas has a different centralized or coordinated assessment system. While TDHCA is informed of the broad concepts of the many coordinated assessment systems, TDHCA ensures that its Subrecipients participate in the local CoC's coordinated assessment whenever possible. The 2017/2018 NOFA required CoC lead agencies to certify that the ESG Subrecipients participated or did not participate in the CoC centralized or coordinated assessment system. Points were awarded based on participation. Once the CoC has established the coordinated assessment/entry process, ESG Subrecipients are required to use this process per 24 CFR §576.400(d), with an exception for victim service providers. Since HUD Community Planning and Development Notice 17-01 required that coordinated assessment/entry should to be in place by January 23, 2018, TDHCA has requested that each of its ESG Subrecipients certify that they have written standards that are consistent with the CoC's screening, assessment and referral of ESG program participants (or to certify that the Subrecipient is a victim services provider and not required to participate in coordinated assessment/entry).

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).

In the competitive process with TDHCA, applications are selected based on: Program Description and Capacity; Proposed Performance; Proposed Budget and Match; CoC Participation and Coordination; and Contract History of Subrecipients in ESG Expenditure and Reporting. The allocation amounts available in each CoC region are established by formula.

For the competitive process, TDHCA released a NOFA in the winter of 2017 in anticipation of the State's receipt of ESG funding. The NOFA was for a two-year award cycle for an award of ESG 2017 and anticipated 2018 funds. Eligible applicant organizations include Units of General Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may be eligible and should seek guidance from TDHCA to determine if they can apply.

Governmental organizations such as Public Housing Authorities ("PHAs") and housing finance agencies are not eligible and cannot apply directly for ESG funds; however PHAs may serve as a partner in a collaborative Application, but may not be the lead applicant.

Eligible applicants also include private nonprofit organizations that are secular or religious organizations exempt from taxation under Section 501(c) of the Internal Revenue Code of 1986, 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.

As a State recipient, TDHCA is not required to provide for the participation of a homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity. However, TDHCA had a scoring item on its 2017/2018 NOFA for which Subrecipients received points if they have participation of homeless or formerly homeless individuals in their programs.

***5.* Describe performance standards for evaluating ESG.**

TDHCA has been transitioning from evaluating performance based on whole numbers of persons or households served to percentages of persons or households served who achieve particular outcomes.

Subrecipients providing street outreach will be required to meet contractual performance targets for the number of persons to be assisted, and the percentage of persons placed in temporary or transitional housing.

Subrecipients providing emergency shelter and transitional shelter will be required to meet contractual performance targets for the number of persons receiving essential services, , and the percentage of persons who will exit to temporary, transitional housing destinations or permanent housing destinations.

Subrecipients providing homelessness prevention and rapid re-housing assistance will be required to meet contractual performance targets for the number of persons receiving higher income at exit than at entry, the percentage of persons who will exit to permanent housing destinations and, the percentage of persons who will maintain housing three months or more as a result of receiving ESG assistance.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

☑ Applications submitted by eligible recipients
☐ Subgrantees that are State Agencies
☐ Subgrantees that are HUD-CPD entitlement grantees

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,
a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The state will distribute NHTF funds to eligible recipients as described in applicable sections of the TDHCA rules at Chapter 10 of the Texas Administrative Code, Subchapter C, Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules for Applicants (10 TAC §10.201 through 207, which sets forth the minimum requirements for applicant eligibility to participate in TDHCA Multifamily programs. TDHCA will require evidence of experience and capacity through the Experience Requirement at 10 TAC §10.204(6) or 10 TAC §13.5(d)(1), as applicable. See attachments for full text of referenced TDHCA TAC rules

Regarding Question 3a, for both:

- the responsibility of the Grantee to address the requirement that a recipient make acceptable assurances to the grantee that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities, and
- the responsibility of the Grantee to address the requirement that a recipient have familiarity and understanding of the Federal, State, and local housing programs used in conjunction with HTF funds to ensure compliance with all applicable program requirements and regulations,

please see the attached 2018 Multifamily Direct Loan Certification that is executed by an Applicant upon applying for Direct Loan funds (including NHTF). Also, all NHTF recipients must execute a Contract and Land Use Restriction Agreement that remain in effect for a minimum of 30 years. The Land Use

Restriction Agreement contains language that makes it superior to any other instruments filed on the property.

Regarding Question 3a and the responsibility of the Grantee to address the requirement that a recipient demonstrate the ability and financial capacity to undertake, comply and manage the eligible activity, please see the attached 10 TAC §13.8(c)(4) and 10 TAC §13.8(c)(5), which discuss requirements associated with applications for various Direct Loan amounts and situations.

In the event that NHTF is not the only source of Department funding, 4% or 9% housing tax credits are also being requested, meaning that other lenders' and equity providers' due diligence of the Applicant would be included to ensure the Applicant's financial capacity is sufficient to undertake, comply, and manage the eligible activity. Furthermore, if 9% credits are requested, nearly all applicants elect points under 10 TAC §11.9(e)(1) which requires a lender approval letter evidencing review of the Principals.

Furthermore, all Applications must meet the Underwriting requirements at 10 TAC §10.302, including acceptable pro forma projections through year 30, minimum 1.15 Debt Coverage Ratio, and minimum replacement reserve requirements. The attached 10 TAC §10.302(f)(1) specifically discusses developer capacity requirements.

Finally, Applicants must provide evidence of experience in owning and operating multifamily housing as required in 10 TAC §10.204(6)) – which applies to all Applicants of TDHCA funding – or the alternative experience requirement in 10 TAC §13.5(d)(1).

Regarding Question 3a and the responsibility of the Grantee to address the requirement that a recipient have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct or rehabilitate and manage and operate an affordable multifamily rental housing development, Applicants may meet the experience requirement of the Uniform Multifamily Rules (10 TAC §10.204(6)) – which applies to all Applicants of TDHCA funding – or the alternative experience requirement in 10 TAC §13.5(d)(1), which states that applicants requesting MFDL (such as NHTF) as the only source of Department funding may meet the Experience Requirement under Chapter 13.5(d)(1) by providing evidence of the successful development and operation for at least 5 years of twice as many affordability restricted units as requested in the application. The minimum number of units for any application for funding that is submitted to TDHCA is 16 units, so the minimum number of affordability restricted units that would be subject to the successful development and operation for at least 5 years would be 32. An applicant applying for both MFDL and another TDHCA source or sources would have to meet the requirement in 10 TAC §10.204(6). The lower MFDL-only threshold for experience came about as a result of public comment the Department received in response to the draft 2016 NHTF Allocation Plan. Many mission-driven nonprofits that wanted to utilize NHTF were unable to meet the experience requirement in 10 TAC §10.204(6) and suggested this alternative experience requirement.

For more information, please see the attached 2018 Multifamily Direct Loan Certification and Table of Corresponding Requirements in 24 CFR §93.2 and State Rules.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Texas' application requirements can be found in Subchapter C: Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules or Pre-Clearance for Applications of 10 TAC Chapter 10 (Uniform Multifamily Rules as well as 10 TAC Chapter 13 (Multifamily Direct Loan Rule). See attached Uniform Multifamily Rules and Multifamily Direct Loan Rule.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Selection criteria typically only applies when funds are oversubscribed; in cases where the application is layered with 9% Housing Tax Credits, for instance, scoring in 10 TAC §11.9 would be applicable. To the extent that two or more applications for HTF are received on the same date, the scoring criteria listed in the attached 2018 Multifamily Direct Loan Rule (10 TAC Chapter 13) as amended will apply.

If applications for NHTF are not combined with 9% HTC or do not need to be prioritized in a regional allocation formula, they will be prioritized based on the date received and reviewed to ensure the Department's threshold criteria, which takes into account all of the selection criteria in 24 CFR §91.320(k)(5)(i) is met.

The Texas Department of Housing and Community Affairs' Multifamily Division awards or allocates more than $1 billion annually of debt and equity in an efficient and compliant manner. Our processes for Application selection are comprehensive, and assure that the resulting Developments meet the highest standards for financial feasibility and long-term stability. Our Compliance Monitoring Division assures that all properties meet these standards for the duration of their affordability period, and is frequently cited as one of the best Compliance divisions nationally. Our threshold requirements for site selection assure that projects will be located in safe communities with ample opportunity for residents, and our stringent underwriting requirements assure they will be viable throughout the affordability period.

There is a well-developed set of requirements within the Texas Administrative Code that have the force of law. These requirements have been crafted over decades of work with the development community, advocates, and other stakeholders. The Uniform Multifamily Rules, Qualified Allocation Plan, and Multifamily Direct Loan Rule are all updated annually through an extensive public input process. Additionally, the QAP is approved annually by the Governor. All of the selection criteria described in §91.320(k)(5)(i) are met by some portion of our rules, although they will not all be contained in a single section dedicated to NHTF. We endeavor to hold all Applications for multifamily funds to the same strict standards through the application of consistent requirements across all fund sources.

All Applications for NHTF funds must meet threshold criteria in 10 TAC Chapter 10, Subchapters A through D, and the Multifamily Direct Loan Rule, which address Definitions, Site and Development requirements, Applicant and Application requirements, and loan structure and underwriting requirements. Without meeting all of the applicable criteria in these 120+ pages of rules, the Application will not be successful. Therefore, the selection criteria applied to NHTF Applications will be met by passing multiple review points – threshold state and federal program reviews, underwriting reviews, and compliance/ previous participation reviews – that confirm these rules are being met.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Priority based upon geographic diversity
As described in SP-10 Geographic Priorities the Texas NHTF will distribute NHTF funds through a competitive NOFA process. The funds will initially be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within each region prior to collapse into a statewide competition.

The State of Texas will rely on 10 TAC §13.4(b) in making funds available geographically based on the proportion of ELI renter households to the total population of renter households in each of the thirteen State Service Regions for at least the first 30 days after the NOFA is published. Thereafter, consideration of geographic diversity will not be a factor in evaluating applications. Please see attached Multifamily Direct Loan Rule for text of 10 TAC §13.4(b). Also attached are estimated Regional Allocation amounts based on the 2017 NHTF Allocation as well as a map of the Uniform State Service Regions.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner:
Applicants must provide evidence of their experience in developing and managing multifamily developments as required under 10 TAC §10.204(6) if layered with other fund sources, or 10 TAC §13.5(d)(1) if MFDL only. Both 10 TAC §10.204(6) or 10 TAC §13.5(d)(1) are mentioned in the table HTF Funding Priorities Question 3a.

Application criteria including readiness to proceed as evidenced by site control, appropriate zoning, architectural plans, and evidence of financing will be considered.

Furthermore, 10 TAC §13.11(d) through (e) states:
“(d) Direct Loan awardees must execute a Contract within six (6) months of the Board approval date.
(e) Loan closing must occur and construction must begin no later than three (3) months from the effective date of a Contract.”

Execution of a Contract fulfills the Commitment definition in 24 CFR §93.2 in that the Contract is the “legally binding written agreement (that includes the date of the signature of each person signing the agreement) with an eligible recipient for a project that meets the definition of ‘commit to a specific local project.’” Additionally, 10 TAC §13.11(m) states: “Termination of the Direct Loan award and repayment of all disbursed funds will be required for any Development that is not completed within four (4) years of the effective date of a Direct Loan Contract.” Finally, the Department may impose a 2-year ban on applying for MFDL for any applicant that fails to meet commitment and/or expenditure requirements in accordance with 10 TAC §13.11(b), which states: “If a Direct Loan award is returned after Board approval, or if the Applicant or Affiliates fail to meet federal commitment or expenditure requirements, penalties may apply under 10 TAC § 11.9(f) or the Department may prohibit the Applicant and all Affiliates from applying for MFDL funds for a period of 2 years if they have returned their funds or have failed to take necessary action specified in one or more agreement with the Department where the failure resulted in the Department's failure to meet federal commitment and expenditure requirements.” See attachments for full text of referenced TDHCA 10 TAC rules.

f. Describe the grantee’s required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Of highest priority in the evaluation of applications will be the creation of new units serving ELI households that would not otherwise exist. While the availability of project-based rental assistance will be considered, only applications that demonstrate the ability to meet Underwriting requirements will be funded.

The State of Texas will consider PBRA to the extent that the existence of it allows or the lack of it does not allow an application to meet TDHCA’s underwriting requirements. A development that would otherwise be characterized as infeasible may be deemed feasible if the following criteria, as described in 10 TAC §10.302(i)(6)(B) are applicable. See attached text of 10 TAC §10.302(i)(6)(B).

For Applications layered with 9% credits, leveraging is a scoring item under 10 TAC §11.9(e)(4). See attached text of 10 TAC §11.9(e)(4).:

If an application is not layered with 9% credits, it must have other sources of funding, such as project based vouchers, in order to be viable over the affordability period.

The attached 10 TAC §13.8 from the Multifamily Direct Loan Rule and 10 TAC §§10.301 through .306 of the Uniform Multifamily Rule will comprise TDHCA's underwriting requirements.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

No priority for funding based on the feasibility of the project beyond the required 30-year period will be given except in instances where a first-lien loan ahead of an NHTF loan or grant has a term greater than 30 years that would result in the NHTF loan or grant having a term greater than 30 years. It is the Department's experience that affordability periods longer than 30 years are not reasonable without a guaranteed source of financing for gut rehabilitation within that affordability period. Texas Government Code §2306.185(c) further limits the length of the affordability period that the State can impose, stating: "The department shall require that a recipient of funding maintains the affordability of the multifamily housing development for households of extremely low, very low, low, and moderate incomes for the greater of a 30-year period from the date the recipient takes legal possession of the housing or the remaining term of the existing federal government assistance. In addition, the agreement between the department and the recipient shall require the renewal of rental subsidies if available and if the subsidies are sufficient to maintain the economic viability of the multifamily development." In other words, unless an FHA-insured loan or similar type of federal government-insured loan with a term greater than 30 years is part of the financing, the longest affordability period that the State can impose is 30 years.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The State of Texas will prioritize HTF funding for the needs of ELI households in accordance with its Analysis of Impediments (AI) and high opportunity measures of the QAP. Goal No. 1 of the AI states: "Create greater mobility and improve housing opportunities for low income households and members of protected classes."

Threshold requirements for all multifamily projects are found in 10 TAC §10 Subchapter B, which include criteria such as Mandatory Development Amenities, Common Amenities, Unit Requirements, Tenant Supportive Services requirements, and Development Accessibility Requirements. 10 TAC §10 Subchapter B also includes threshold requirements such as Undesirable Site Features and Undesirable

Neighborhood Characteristics. Additionally, Applications layered with 9% Tax Credits are scored on proximity to desirable community features, as are Direct Loan Applications if the fund source or set-aside is over-subscribed.

NHTF applicants are allowed to claim points as detailed in §13.6(a) of the Multifamily Direct Loan Rule and under 10 TAC §11.9(c)(4) related to the Opportunity Index. See attached text of the Multifamily Direct Loan Rule 10 TAC §11.9(c)(4).

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Generally, the State of Texas prefers applications proposing developments utilizing the highest proportion of non-federal contributions. It is anticipated that Applications for NHTF will require multiple funding sources in order to meet threshold feasibility requirements. While the State plans on providing NHTF funds as deferred forgivable loans or similarly soft repayment loans, other sources will be required to meet both development and operating needs. Additionally, if NHTF is oversubscribed, the amount of subsidy per unit is a scoring factor as described in 10 TAC §13.6(4), thereby requiring less NHTF funding. See the attached 2018 Multifamily Direct Loan Rule for text of 10 TAC §13.6(4).

Without other fund sources, this range of subsidy level will not be possible, so other funding sources – whether owner equity if NHTF is the only source of Department funding or, more likely, Housing Tax Credits since NHTF works best as gap financing – are required. Finally, although not federally required, 10 TAC §10.204(7)(E) discusses documentation requirements for Match funds exceeding 5 percent of requested Direct Loan funds. See attached 2018 Uniform Multifamily Rules for text of 10 TAC §10.204(7)(E).

Applications layered with 9% Housing Tax Credits will be subject to scoring in 10 TAC §11.9(e)(4) - Leveraging of Private, State, and Federal Resources - which states:
(A) An Application may qualify to receive up to three (3) points if at least five (5) percent of the total Units are restricted to serve households at or below 30 percent of AMGI (restrictions elected under other point items may count) and the Housing Tax Credit funding request for the proposed Development meet one of the levels described in clauses (i) - (iv) of this subparagraph: (i) the Development leverages CDBG Disaster Recovery, HOPE VI, RAD, or Choice Neighborhoods funding and the Housing Tax Credit Funding Request is less than 9 percent of the Total Housing Development Cost (3 points). The Application must include a commitment of such funding; or
(ii) If the Housing Tax Credit funding request is less than seven (7) eight (8) percent of the Total Housing Development Cost (3 points); or
(iii) If the Housing Tax Credit funding request is less than eight (8) nine (9) percent of the Total Housing Development Cost (2 points); or

(iv) If the Housing Tax Credit funding request is less than nine (9) ten (10) percent of the Total Housing Development Cost (1 point).
(B) The calculation of the percentages stated in subparagraph (A) of this paragraph will be based strictly on the figures listed in the Funding Request and Development Cost Schedule. Should staff issue an Administrative Deficiency that requires a change in either form, then the calculation will be performed again and the score adjusted, as necessary. However, points may not increase based on changes to the Application. In order to be eligible for points, no more than 50 percent of the developer fee can be deferred. Where costs or financing change after completion of underwriting or award (whichever occurs later), the points attributed to an Application under this scoring item will not be reassessed unless there is clear evidence that the information in the Application was intentionally misleading or incorrect.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

☑ Yes
☐ No
☐ N/A

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

☑ Yes
☐ No
☐ N/A

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

☑ Yes
☐ No

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.
The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The State of Texas adopted Basic Statutory Mortgage Limits for Calendar Year 2016 and the Annual Base City High Cost Percentage and High Cost Area Revisions for 2016 Mortgagee Letter 2017-02, will be the limits used for NHTF. The attached limits do not vary based on geographic location in Texas since the limits were approved by HUD for use throughout the state. They will be used statewide for ease of use both for applicants and TDHCA staff.

Additional limits may apply if the NHTF funds are used in conjunction with other affordable housing programs. Also, these subsidy limits may be subject to stricter limits in NOFAs.

See the attached justification as to why the State will not establish separate maximum limitations on the total amount of NHTF.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.
In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

N/A. State will not use NHTF funds for rehabilitation of housing in PY 2018.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in

accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

☐ The grantee will use the HUD issued affordable homeownership limits.
☐ The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.
☑ N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A."
Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The State will limit beneficiaries and/or give preferences to the following segments of the extremely low-income population in accordance with AP-25 of the 2018 One Year Action Plan.

12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

N/A

General OYAP Attachments:

- CDBG Allocation of CDBG program income and deobligated funds
- ESG Written Standards
- Submittal Letter, SF424s and Certifications (to be included in the Final 2018 OYAP)
- Public Comments and Reasoned Responses (to be included in the Final 2018 OYAP)

AP-90 NHTF Attachments:

- 2018 Uniform Multifamily Rules
  http://www.tdhca.state.tx.us/multifamily/docs/18-Ch10SubsA-C-G.pdf

- 2018 Multifamily Direct Loan Rule
  http://www.tdhca.state.tx.us/multifamily/docs/18-MF-DirectLoanRule10TAC13.pdf

- 2018 Multifamily Direct Loan Certification

- AP-90 Question 3a – Table of Corresponding Requirements in 24 CFR §93.2 and State Rules

- AP-90 Question 3d – Estimated Regional Allocation Amounts and Map of the Uniformed State Service Regions

- AP-90 Question 7 – Justification Documentation for Maximum Per-unit Development Subsidy Limits

Attachment: Allocation of CDBG program income and 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) to be allocated in a manner to maximize the number of fully funded applications or to the DR Fund.
If the total funds available to the DR Fund on August 1 is less than $1,000,000, TDA may make available to the DR Fund the greater of $700,000 or 20% of the funds deobligated since the beginning of the program year.

If Texas Capital Fund Real Estate and Infrastructure funds are deobligated prior to the first drawdown of funds, the funding shall be returned immediately to the program and shall be made available in the next monthly round of competition.

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.

Additional detail for Geographic Allocation:

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).

And Unobligated:

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 remain available to potential STEP applicants. 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.

ESG Written Standards

TDHCA requires that its Subrecipients establish and implement written standards for providing ESG assistance. TDHCA reviews the standards to ensure they answer the following questions.

1. Evaluation (24 CFR §576.400(e)(3)(i))

a. Are the definitions of homeless or at-risk of homelessness included in the evaluation?
b. Are there standard policies and procedures for evaluating individual and household eligibility for ESG?
c. Are priority populations listed?
d. Are the priority populations listed the same as the Continuum of Care priority populations?

2. Targeting - 24 CFR §576.400(e)(3)(ii),(iv)

a. Are there standards for targeting and providing essential services related to street outreach?
b. Are there standards determining how providers will assess, prioritize, and reassess participant's needs for essential services related to emergency shelter?

3. Evaluation for Emergency Shelter - 24 CFR §576.400(e)(3)(iii)

a. Is there a description of:
    i. Clients that will be admitted?
    ii. Clients that will be diverted?
    iii. Clients that will be referred?
    iv. Clients will be discharged?
b. Are there safeguards to secure safety (if applicable)?
c. Are reasonable accommodations for persons with disabilities included?

4. Coordination - 24 CFR §576.400(e)(3)(v)

a. Are there policies and procedures for coordination among:
    i. Emergency shelter providers?
    ii. Essential service providers?
    iii. Homelessness prevention providers?
    iv. Rapid re-housing assistance providers?
    v. Other homeless assistance providers?
    vi. Mainstream services and housing providers?

5. Assistance Levels - 24 CFR §576.400(e)(3)(vi)

b. Is there a description of:
    i. Which clients will receive rapid re-housing or homelessness prevention?
    ii. Whether a percentage or amount of rent will be paid by client?
    iii. Whether a percentage or amount of utilities will be paid by client?

- iv. How long will client receive rental assistance?
- v. How or if rental assistance be adjusted over time?
- vi. What is amount of assistance will be provided?
- vii. How will the duration of assistance be determined?
- viii. What happens after a break in service (*i.e.*, Program participant stops receiving assistance one month)?
- ix. What unit sizes are appropriate for rapid re-housing?
- x. What data sources/formats are used for rent reasonableness?

6. Housing Stability Case Management/Relocation Services – 24 CFR §576.400(e)(3)(ix)

- a. Is there a description of:
  - i. What types of services offered and not offered?
  - ii. What amounts are offered for the services?
  - iii. How long will case management/relocation services last?
- b. Does case management include monthly meetings to assist with housing stability? (n/a for Domestic Violence providers)
- c. Does case management include development for participant to retain permanent housing once ESG assistance ends? (n/a for Domestic Violence providers)
- d. Does case management include assistance for program participants' access supportive services for which they may be eligible? (n/a for Domestic Violence providers)

7. Relocation Services: Financial – 24 CFR §576.105(a)

- a. Do the written standards specify when the following financial assistance is offered or not offered:
  - i. Rental application fees
  - ii. Security deposits/Last month's rent
  - iii. Utility deposits/payments
  - iv. Moving costs
  - v. Storage fees (3 months maximum)

8. Service Costs (Include if services are offered and which community organizations can act as a referral source, if applicable) – 24 CFR §576.105(b)(3)-(5)

- a. Do the written standards specify when the following services are offered or not offered, and which community resources can be used?
  - i. Mediation
  - ii. Legal Services
  - iii. Credit Repair

9. Denials 24 CFR §576.402

a. Are there policies and procedures for terminating assistance?
b. Does the appeal process include notification of denial?
c. Does the appeal process include the household’s process to appeal the decision?
d. Does the appeal process include record keeping process for denial requests?

Multifamily Direct Loan Certification

I (We) hereby make application to the Texas Department of Housing and Community Affairs (the "Department") for an award of Multifamily Direct Loan funds, which may be composed of HOME Investment Partnerships Program ("HOME"),Tax Credit Assistance Program Repayment Funds "TCAP RF," Neighborhood Stabilization Program Round 1 Program Income ("NSP1 PI"), and/or National Housing Trust Fund ("NHTF"). The undersigned hereby acknowledges that an award by the Department does not warrant that the Development is deemed qualified to receive such award. I (We) agree that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the Multifamily Direct Loan; therefore, I (We) assume the risk of all damages, losses, costs, and expenses related thereto and agree to indemnify and save harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decision concerning this application for Multifamily Direct Loan funds or the use of information concerning the Multifamily Direct Loan.

On behalf of the Applicant and all affiliates of the Applicant (hereinafter "Applicant"), I (We) hereby certify that the Applicant is familiar with the state Rules, as published in 10 TAC Chapters 1, 2, 10, and 13, as well as Chapters 11 and 12 as applicable. I (We) hereby acknowledge that this Application is subject to disclosure under Chapter 552, Texas Government Code, the Texas Public Information Act, unless a valid exception exists.

I (We) hereby assert that the information contained in this Application as required or deemed necessary by the materials governing the Multifamily Direct Loan are true and correct and that I (We) have undergone sufficient investigation to affirm the validity of the statements made and the Department may rely on any such statements.

Further, I (We) hereby assert that I (We) have read and understand all the information contained in the application. By signing this document, I (We) affirm that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §37.01 et seq. (Vernon 2011).

I (We) understand and agree that if false information is provided in this Application which has the effect of increasing the Applicant's competitive advantage, the Department will disqualify the Applicant and may hold the Applicant ineligible to apply for Multifamily Direct Loan funds or until any issue of restitution is resolved. If false information is discovered after the award of

Multifamily Direct Loan funds, the Department may terminate the Applicant's written agreement and recapture all Multifamily Direct Loan funds expended.

I (We) shall not, in the provision of services, or in any other manner discriminate against any person on the basis of age, race, color, religion, sex, national origin, familial status, or disability. Verification of any of the information contained in this application may be obtained from any source named herein.

I (We) have written below the name of the individual authorized to execute the Multifamily Direct Loan agreement and any and all future Multifamily Direct Loan commitments and contracts related to this application. If this individual is replaced by the organization, I (We) must inform the Department within 30 days of the person authorized to execute agreements, commitment and/or contracts on behalf of the Applicant.

I (We) certify that no person or entity that would benefit from the award of Multifamily Direct Loan funds has committed to providing a source of match.

I (We) certify that I (We) will meet, Texas Minimum Construction Standards, 2010 ADA Standards for Accessible Design, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973 as further detailed in 10 TAC Chapter 1, Subchapter B. I (We) certify that the Development will meet all local building codes or standards that may apply as well as the Uniform Physical Conditions Standards in 24 CFR §5.705

I (We) certify that if Department funds have a first lien position in the project for which assistance is being requested, assurance of completion of the development will be provided in the form of payment and performance bonds in the full amount of the construction contract, running to the Department as obligee, or equivalent guarantee in the sole determination of the Department.

I (We) certify that if refinancing is a component of the proposed development the Applicant must confirm that Multifamily Direct Loan funds will not be used to replace loans, grants or other financing by any other Federal program, or in violation of the provisions of 10 TAC §13.3(e).

I (We) certify that if other federal or governmental assistance is used in the financing of this development I (We) will notify the Texas Department of Housing and Community Affairs.

I (We) certify that I (We) do not and will not knowingly employ an undocumented worker, where "undocumented worker" means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.

If, after receiving a public subsidy, I (We), am convicted of a violation under 8 U.S.C Section 1324a (f), I (We) shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Texas Government Code Section 2264.053, not later than the 120th day after the date TDHCA notifies Name of Applicant of the violation.

On behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the federal HOME Final Rule, as published in 24 CFR Part 92, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the HOME Investment Partnerships Program and all Developments eligible to receive HOME funds will comply with such rules during the application process and, in the event of award of HOME funds, for the duration of the proposed Development.

If applying under the Supportive Housing/Soft Repayment set-aside, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the interim Housing Trust Fund rule, as published in 24 CFR Part 93, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the NHTF and all Developments eligible to receive NHTF funds will comply with such rules during the application process and, in the event of award of NHTF funds, for the duration of the proposed Development

Lead Based Paint

I (We) certify that documentation of compliance with the Texas Environmental Lead Reduction Rules in 25 TAC Chapter 295, Subchapter I or 24 CFR Part 35 (Lead Safe Housing Rule), as applicable, will be maintained in project files. I (We) understand that for Developments subject to 24 CFR Part 25, standard forms are available in the Federal Register , as indicated by the sources noted below.

1) Applicability 24 CFR §35.115 – A copy of a statement indicating that the property is covered by or exempt from Lead Safe Housing Rule.
   a) If the property is exempt, the file should include the reason for the exemption and no further documentation is required.
   b) if the property is covered by the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below:
      i) Summary Paint Testing Report or Presumption Notice 24 CFR §35.930(a) – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to $5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces;

ii) Notice of Evaluation 24 CFR §35.125(a) – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based-paint inspection, risk assessment or paint testing;

iii) Clearance Report 24 CFR §35.930(b) (3) – A report indicating a "clearance examination" was performed of the work site upon completion; and

iv) Notice of Hazard Reduction Completion 24 CFR §35.125(b) – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents.

Threshold Certification

On behalf of the Applicant and all affiliates of the Applicant (hereinafter "Applicant"), I (We) hereby certify that the Applicant is familiar with the provisions and requirements of the Multifamily Direct Loan Notice of Funding Availability (NOFA) approved by the Department's Governing Board on December 15, 2016, for which I (We) am applying.

I (We) understand that housing units subsidized by Multifamily Direct Loan funds must be affordable to low, very low or extremely low-income persons. I (We) understand that mixed income rental developments may only receive funds for units that meet the Multifamily Direct Loan affordability standards. I (We) understand that all Applications intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.

I (We) understand that, pursuant to 10 TAC §13.11(p), all contractors, consulting firms, Borrowers, Development Owners and Contract Administrators must sign and submit the appropriate documentation with each draw to attest that each request for payment of Multifamily Direct Loan funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions in 24 CFR Part 92.

I (We) certify that I (We) am eligible to apply for funds or any other assistance from the Department. I (We) certify that all audits are current at the time of application. I (We) certify that any Audit Certification Forms have been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance pursuant to 10 TAC §1.3(b). I (We) certify that, the Development will meet the broadband infrastructure requirements of 81 FR 92626, and that these costs are included in the Application.

All applicants applying under the 2018-1 Multifamily Direct Loan Notice of Funding Availability (NOFA) must read and initial after each of the following sections regarding federal cross cutting requirements in the boxes below.

HUD Section 3

I (We) hereby agree that the work to be performed in connection with any award of HOME or NHTF funds is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. I (We) agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. For more information about HUD Section 3, please reference the TDHCA website dedicated to Section 3 at: http://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm

(initial)

Environmental

I (We) understand that the environmental effects of each activity carried out with an award of HOME funds must be assessed in accordance with the provisions of National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. §4321 et seq.) and the related activities listed in HUD's implementing regulations at 24 C.F.R. parts 50, 51, 55 and 58 (NEPA regulations). Each such activity must have an environmental review completed and support documentation prepared complying with the NEPA and NEPA regulations. **No loan may close or funds be committed to an activity before the completion of the environmental review process, including the requirements of 24 CFR Part 58, and the Department has provided written clearance.**

The Department as the Responsible Entity must ensure that environmental effects of the property are assessed in accordance with the provisions of the National Environmental Policy Act of 1969 and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58.

I (We) certify that all parties involved in any aspect of the development process began the project with no intention of using Federal assistance.

I (We) certify that as of the date of the Multifamily Direct Loan application all project work, other than as allowed in 24 CFR. Part 58, has ceased.

I (We) understand that the environmental effects of each activity carried out with an award of NHTF funds must be assessed in accordance with the provisions of CPD Notice 16-14.

I (We) certify that I (we) have read and understand the requirements in 24 CFR §58.22 or CPD Notice 16-14, and I (we) understand that **acquisition of the site, even with non-HUD funds, prior to completion of the environmental review process will jeopardize any federal funding.**

I (We) certify that we will not engage in any choice limiting actions until the site has achieved Environmental Clearance as required in CPD Notice 16-14 or 24 CFR. Part 58, as applicable. **Choice-limiting activities include but are not limited to these examples:**

- Acquisition of land, except through the use of an option agreement, regardless of funding source;
- Closing on loans including loans for interim financing;
- Signing a construction contract.

(initial)

<u>Relocation and Anti-Displacement</u>

The property proposed for this Application is ______ is not ________ occupied. (check one)

If occupied, the occupant(s) are owners __________ tenants ________

Displacement of Existing Tenants

I (We) certify that that the work to be performed in connection with any award of federal funds is subject to Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), as amended, and implementing regulations at 49 CFR Part 24. Consistent with the goals and objectives of activities assisted under the Act and HUD Handbook 1378, if the Development is eligible for federal funds the Applicant must prepare and submit the following to TDHCA with the Multifamily Uniform Application:

1) A detailed explanation of the reasons for displacement relocation;
2) A detailed plan of the relocation, including evidence of comparable replacement housing;
3) A copy of the General Information Notice (signed by the tenant or sent Certified Mail, return recipient requested) sent to all tenants on the Rent Roll listed with the Multifamily Direct Loan Application, and
4) Estimated costs and funding sources available to complete the permanent relocation.

Demolition and Conversion

I (We) certify that that the work to be performed in connection with any award of federal funds is subject to 24 CFR Part 42 and Development Owner will replace all occupied and vacant occupiable low-income housing that is demolished or converted to a use other than low-income housing as a direct result of the project. All replacement housing will be provided within three (3) years after the commencement of the demolition or conversion. Before receiving a commitment of federal funds for a project that will directly result in demolition or conversion, the project owner will make the information public in accordance with 24 CFR Part 42 and submit the information to TDHCA along with the following information in writing at application:

1) The location map, address, and number of dwelling units by bedroom size of lower income housing that will be demolished or converted to use other than as lower income housing as a direct result of the project;
2) A time schedule for the commencement and completion of the demolition and conversion;
3) To the extent known, the location, map, address, and number of dwelling units by bedroom size of the replacement housing that has been or will be provided;
4) The amount and source of funding and a time schedule for the provision of the replacement housing;
5) The basis for concluding that the replacement housing will remain lower income housing beyond the date of initial occupancy;
6) Information demonstrating that any proposed replacement of housing units with similar dwelling units (e.g. a 2-bedroom unit with two 1-bedroom units) or any proposed replacement of efficiency or SRO units with units of a different size is appropriate and consistent with the housing needs of the community; and
7) The name and title of the person or persons responsible for tracking the replacement of lower income housing and the name and title of the person responsible for providing relocation payments and other relocation assistance to any lower-income person displaced by the demolition of any housing or the conversion of lower-income housing to another use.

(initial)

By: ____
Signature of Authorized Representative

____
Printed Name

____
Title

____
Date

THE STATE OF TEXAS **§**
§
COUNTY OF _____________________________**§**

Before me, a notary public, on this day personally appeared ___________________________________, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____day of _______________, _____

(Seal)

____
Notary Public Signature

<u>Question 3a</u>: *Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR* §93.2).

The State of Texas will distribute FY 2018 Housing Trust Fund ("HTF") Program funds by selecting applications submitted by eligible recipients as defined in §93.2 (definition of recipient) through the Application Submission Requirements, Ineligibility Criteria, Board Decisions, and Waiver of Rules for Applications provisions found in Chapter 10 of the Texas Administrative Code ("TAC"), Subchapter C (10 TAC §§10.201 through 10.207). The State of Texas will not limit recipients to a specific category such as nonprofits. Please see the table below for the requirements in §93.2 and the corresponding requirements found in state rules at 10 TAC Chapter 10 and 10 TAC Chapter 13.

Recipient requirements in §93.2	State Rules
(1) Make acceptable assurances to the grantee that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities (3) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs;	**10 TAC §10.204. Required Documentation for Application Submission.** The purpose of this section is to identify the documentation that is required at the time of Application submission, unless specifically indicated or otherwise required by Department rule. If any of the documentation indicated in this section is not resolved, clarified or corrected to the satisfaction of the Department through either original Application submission or the Administrative Deficiency process, the Application will be terminated. Unless stated otherwise, all documentation identified in this section must not be dated more than six (6) months prior to the close of the Application Acceptance Period or the date of Application submission as applicable to the program. The Application may include, or Department staff may request, documentation or verification of compliance with any requirements related to the eligibility of an Applicant, Application, Development Site, or Development. **(1) Certification, Acknowledgement and Consent of Development Owner.** A certification of the information in this subchapter as well as Subchapter B of this chapter must be executed by the Development Owner and address the specific requirements associated with the Development. The Person executing the certification is responsible for ensuring all individuals referenced therein are in compliance with the certification, that they have given it with all required authority and with actual knowledge of the matters certified. (A) The Development will adhere to the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere to local building codes or, if no local building codes are in place, then to the most recent version of the International Building Code. (B) This Application and all materials submitted to the Department constitute records of the Department subject to Tex. Gov't Code, Chapter 552.

	(C) All representations, undertakings and commitments made by Applicant in the Application process for Development assistance expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. If any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and the tenants of the Development, including enforcement by administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement. (D) The Development Owner has read and understands the Department's fair housing educational materials posted on the Department's website as of the beginning of the Application Acceptance Period. (E) The Development Owner agrees to implement a plan to use Historically Underutilized Businesses (HUB) in the development process consistent with the Historically Underutilized Business Guidelines for contracting with the State of Texas. The Development Owner will be required to submit a report of the success of the plan as part of the cost certification documentation, in order to receive IRS Forms 8609 or, if the Development does not have Housing Tax Credits, release of retainage. (F) The Applicant will attempt to ensure that at least 30 percent of the construction and management businesses with which the Applicant contracts in connection with the Development are Minority Owned Businesses as further described in Tex. Gov't Code, §2306.6734. (G) The Development Owner will affirmatively market to veterans through direct marketing or contracts with veteran's organizations. The Development Owner will be required to identify how they will affirmatively market to veterans and report to the Department in the annual housing report on the results of the marketing efforts to veterans. Exceptions to this requirement must be approved by the Department. (H) The Development Owner will comply with any and all notices required by the Department. (I) If the Development has an existing LURA with the Department, the Development Owner will comply with the

	existing restrictions. **(2) Applicant Eligibility Certification.** A certification of the information in this subchapter as well as Subchapter B of this chapter must be executed by any individuals required to be listed on the organizational chart and also identified in subparagraphs (A) – (D) below. The certification must identify the various criteria relating to eligibility requirements associated with multifamily funding from the Department, including but not limited to the criteria identified under §10.202 of this chapter (relating to Ineligible Applicants and Applications). (A) for for-profit corporations, any officer authorized by the board of directors, regardless of title, to act on behalf of the corporation, including but not limited to the president, vice president, secretary, treasurer, and all other executive officers, and each stock holder having a 10 percent or more interest in the corporation, and any individual who has Control with respect to such stock holder; (B) for non-profit corporations or governmental instrumentalities (such as housing authorities), any officer authorized by the board, regardless of title, to act on behalf of the corporation, including but not limited to the president, vice president, secretary, treasurer, and all other executive officers, the Audit committee chair, the Board chair, and anyone identified as the Executive Director or equivalent; (C) for trusts, all beneficiaries that have the legal ability to Control the trust who are not just financial beneficiaries; and (D) for limited liability companies, all managers, managing members, members having a 10 percent or more interest in the limited liability company, any individual Controlling such members, or any officer authorized to act on behalf of the limited liability company. **(3) Architect Certification Form.** The certification, addressing all of the accessibility requirements, must be executed by the Development engineer, an accredited architect or Third Party accessibility specialist. (§2306.6722; §2306.6730) The certification must include a statement describing how the accessibility requirements relating to Unit distribution will be met. An acceptable, but not required, form of such statement may be obtained in the Multifamily Programs Procedures Manual. **10 TAC §13.1** **13.1 Purpose** (a) Authority. The rules in this Chapter apply to the funds provided to Multifamily Developments through the Multifamily Direct Loan Program ("MFDL" or "Direct Loan

	Program") by the Texas Department of Housing and Community Affairs ("Department"). Notwithstanding anything in this Chapter to the contrary, loans and grants 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 Tex Gov't Code, Chapter 2306, and federal law pursuant to the requirements of Title II of the Cranston-Gonzalez National Affordable Housing Act, Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008 - Emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes, Section 1497 of the Dodd-Frank Wall Street Reform and Consumer Protection Act: Additional Assistance for Neighborhood Stabilization Programs, Title I of the Housing and Economic Recovery Act of 2008, Section 1131 (Public Law 110-289) and the implementing regulations 24 CFR Part 91, Part 92, and Part 93 as they may be applicable to a specific fund source. The Department is authorized to administer Direct Loan Program funds pursuant to Tex Gov't Code §2306, Subchapter I, Housing Finance Division. (b) General. This Chapter applies to an award of MFDL funds by the Department and establishes the general requirements associated with the application and award process for such funds. Applicants pursuing MFDL assistance from the Department are required to certify, among other things, that they have familiarized themselves with all applicable rules that govern that specific program including, but not limited to this Chapter, Chapter 1 (relating to Administration), Chapter 2 (relating to Enforcement), Chapter 8 (relating to Section 811 PRA Program), and Chapter 10 of this Title (relating to Uniform Multifamily Rules). Chapter 11 of this Title (relating to Housing Tax Credit Program Qualified Allocation Plan ("QAP")) and Chapter 12 of this Title (relating to Multifamily Housing Revenue Bond Rules) will apply if MFDL funds are layered with those other Department programs. The Applicant is also required to certify that it is familiar with any other federal, state, or local financing sources that it identifies in its Application. Any conflict with rule of other programs or with federal regulations will be resolved on a case by case basis that allows for compliance with all requirements. Conflicts that cannot be resolved may result in Application ineligibility. (c) Waivers. Requests for waivers of any program rules or requirements must be made in accordance with §10.207 of this title (relating to Waiver of Rules for Applications). In no instance will the Department consider waiver request that

	would violate federal program requirements or state or federal statute.
(2) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity; (4) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to: (i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or (ii) Design, construct, or rehabilitate, and market affordable housing for homeownership. (iii) Provide forms of assistance, such as down payments, closing costs, or interest rate buydowns for purchasers.	**10 TAC §13.5(d)(1)** Applicants requesting MFDL as the only source of Department funds may meet the Experience Requirement under §10.204(6) of this Chapter or by providing evidence of the successful development, and operation for at least 5 years, of at least twice as many affordability restricted units as requested in the Application. **10 TAC §10.204. Required Documentation for Application Submission.** **(6) Experience Requirement.** Evidence that meets the criteria as stated in subparagraph (A) of this paragraph must be provided in the Application, unless an experience certificate was issued by the Department in 2014 through 2017 which may be submitted as acceptable evidence of this requirement. Experience of multiple parties may not be aggregated to meet this requirement. (A) A natural Person, with control of the Development through placement in service, who is also a Principal of the Developer, Development Owner, or General Partner must establish that they have experience in the development and placement in service of 150 units or more. Acceptable documentation to meet this requirement shall include any of the items in clauses (i) - (ix) of this subparagraph: (i) American Institute of Architects (AIA) Document (A102) or (A103) 2007 - Standard Form of Agreement between Owner and Contractor; (ii) AIA Document G704--Certificate of Substantial Completion; (iii) AIA Document G702--Application and Certificate for Payment; (iv) Certificate of Occupancy; (v) IRS Form 8609 (only one per development is required); (vi) HUD Form 9822; (vii) Development agreements; (viii) Partnership agreements; or (ix) other documentation satisfactory to the Department verifying that a Principal of the Development Owner, General Partner, or Developer has the required experience. (B) The names on the forms and agreements in subparagraph (A)(i) - (ix) of this paragraph must reflect that the individual seeking to provide experience is a Principal of the Development Owner, General Partner, or Developer as listed in the Application. For purposes of this requirement any individual attempting to use the experience of another individual or entity must demonstrate they had the authority

	to act on their behalf that substantiates the minimum 150 unit requirement. (C) Experience may not be established for a Person who at any time within the preceding three years has been involved with affordable housing in another state in which the Person or Affiliate has been the subject of issued IRS Form 8823 citing noncompliance that has not been or is not being corrected with reasonable due diligence. (D) If a Principal is determined by the Department to not have the required experience, an acceptable replacement for that Principal must be identified prior to the date the award is made by the Board. (E) Notwithstanding the foregoing, no person may be used to establish such required experience if that Person or an Affiliate of that Person would not be eligible to be an Applicant themselves. **(7) Financing Requirements.** (A) Non-Department Debt Financing. Interim and permanent financing sufficient to fund the proposed Total Housing Development Cost less any other funds requested from the Department must be included in the Application. For any Development that is a part of a larger development plan on the same site, the Department may request and evaluate information related to the other components of the development plan in instances in which the financial viability of the Development is in whole or in part dependent upon the other portions of the development plan. Any local, state or federal financing identified in this section which restricts household incomes at any level that is lower than restrictions required pursuant to this chapter or elected in accordance with Chapter 11 of this title (relating to Housing Tax Credit Program Qualified Allocation Plan) must be identified in the rent schedule and the local, state or federal income restrictions must include corresponding rent levels in accordance with §42(g) of the Code. The income and corresponding rent restrictions will be memorialized in a recorded LURA and monitored for compliance. Financing amounts must be consistent throughout the Application and acceptable documentation shall include those described in clauses (i) and (ii) of this subparagraph. (i) Financing is in place as evidenced by: (I) a valid and binding loan agreement; and (II) a valid recorded deed(s) of trust lien on the Development in the name of the Development Owner as grantor in favor of the party providing such financing and covered by a lender's policy of title insurance in their name; (ii) Term sheets for interim and permanent loans issued by a

	lending institution or mortgage company that is actively and regularly engaged in the business of lending money must: (I) have been signed by the lender; (II) be addressed to the Development Owner or Affiliate; (III) for a permanent loan, include a minimum loan term of fifteen (15) years with at least a thirty (30) year amortization; (IV) include either a committed and locked interest rate, or the currently projected interest rate and the mechanism for determining the interest rate; (V) include all required Guarantors, if known; (VI) include the principal amount of the loan; (VII) include an acknowledgement of the amounts and terms of all other anticipated sources of funds; and (VIII) include and address any other material terms and conditions applicable to the financing. The term sheet may be conditional upon the completion of specified due diligence by the lender and upon the award of tax credits, if applicable; or (iii) For Developments proposing to refinance an existing USDA Section 515 loan, a letter from the USDA confirming that it has been provided with the Preliminary Assessment Tool. (B) Gap Financing. Any anticipated federal, state, local or private gap financing, whether soft or hard debt, must be identified and described in the Application. Applicants must provide evidence that an application for such gap financing has been made. Acceptable documentation may include a letter from the funding entity confirming receipt of an application or a term sheet from the lending agency which clearly describes the amount and terms of the financing. Other Department funding requested with Housing Tax Credit Applications must be on a concurrent funding period with the Housing Tax Credit Application, and no term sheet is required for such a request. Permanent loans must include a minimum loan term of fifteen (15) years with at least a thirty (30) year amortization or for non-amortizing loan structures a term of not less than thirty (30) years. A term loan request must also comply with the applicable terms of the NOFA under which an Applicant is applying. (C) Owner Contributions. If the Development will be financed in part by a capital contribution by the General Partner, Managing General Partner, any other partner or investor that is not a partner providing the syndication equity, a guarantor or a Principal in an amount that exceeds 5 percent of the Total Housing Development Cost, a letter from a Third Party CPA must be submitted that verifies the

	capacity of the contributor to provide the capital from funds that are not otherwise committed or pledged. Additionally, a letter from the contributor's bank(s) or depository(ies) must be submitted confirming sufficient funds are readily available to the contributor. The contributor must certify that the funds are and will remain readily available at Commitment and until the required investment is completed. Regardless of the amount, all capital contributions other than syndication equity will be deemed to be a part of and therefore will be added to the Deferred Developer Fee for feasibility purposes under §10.302(i)(2) of this chapter (relating to Underwriting Rules and Guidelines) or where scoring is concerned, unless the Development is a Supportive Housing Development, the Development is not supported with Housing Tax Credits, or the ownership structure includes a nonprofit organization with a documented history of fundraising sufficient to support the development of affordable housing. (D) Equity Financing. (§2306.6705(2) and (3)) If applicable to the program, the Application must include a term sheet from a syndicator that, at a minimum, includes: (i) an estimate of the amount of equity dollars expected to be raised for the Development; (ii) the amount of Housing Tax Credits requested for allocation to the Development Owner; (iii) pay-in schedules; (iv) syndicator consulting fees and other syndication costs. No syndication costs should be included in the Eligible Basis; and (v) include an acknowledgement of the amounts and terms of all other anticipated sources of funds. (E) Financing Narrative. (§2306.6705(1)) A narrative must be submitted that describes all aspects of the complete financing plan for the Development, including but not limited to, the sources and uses of funds; construction, permanent and bridge loans, rents, operating subsidies, project-based assistance, and replacement reserves; and the status (dates and deadlines) for applications, approvals and closings, etc. associated with the commitments for all funding sources. For applicants requesting Direct Loan funds, Match in the amount of at least 5 percent of the Direct Loan funds requested must be documented with a letter from the anticipated provider of Match indicating the provider's willingness and ability to make a financial commitment should the Development receive an award of Direct Loan funds. The information provided must be consistent with all other documentation in the Application. **(8) Operating and Development Cost Documentation.**

	(A) 15-year Pro forma. All Applications must include a 15-year pro forma estimate of operating expenses, in the form provided by the Department. Any "other" debt service included in the pro forma must include a description. (B) Utility Allowances. This exhibit, as provided in the Application, must be submitted along with documentation from the source of the utility allowance estimate used in completing the Rent Schedule provided in the Application. This exhibit must clearly indicate which utility costs are included in the estimate and must comply with the requirements of §10.614 of this chapter (relating to Utility Allowances), including deadlines for submission. Where the Applicant uses any method that requires Department review, documentation indicating that the requested method has been granted by the Department must be included in the Application. (C) Operating Expenses. This exhibit, as provided in the Application, must be submitted indicating the anticipated operating expenses associated with the Development. Any expenses noted as "other" in any of the categories must be identified. "Miscellaneous" or other nondescript designations are not acceptable. (D) Rent Schedule. This exhibit, as provided in the Application, must indicate the type of Unit designation based on the Unit's rent and income restrictions. The rent and utility limits available at the time the Application is submitted should be used to complete this exhibit. Gross rents cannot exceed the maximum rent limits unless documentation of project-based rental assistance is provided and rents are consistent with such assistance and applicable legal requirements. The unit mix and net rentable square footages must be consistent with the site plan and architectural drawings. For Units restricted in connection with Direct Loans, the restricted Units will generally be designated "floating" unless specifically disallowed under the program specific rules. For Applications that propose utilizing Direct Loan funds, at least 90 percent of the Units restricted in connection with the Direct Loan program must be available to households or families whose incomes do not exceed 60 percent of the Area Median Income. (E) Development Costs. This exhibit, as provided in the Application, must include the contact information for the person providing the cost estimate and must meet the requirements of clauses (i) and (ii) of this subparagraph. (i) Applicants must provide a detailed cost breakdown of projected Site Work costs (excluding site amenities), if any, prepared by a Third Party engineer or cost estimator. If Site

Work costs (excluding site amenities) exceed $15,000 per Unit and are included in Eligible Basis, a letter must be provided from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis.

(ii) If costs for Off-Site Construction are included in the budget as a line item, or embedded in the site acquisition contract, or referenced in the utility provider letters, then the Off-Site Cost Breakdown prepared by a Third Party engineer must be provided. The certification from a Third Party engineer must describe the necessity of the off-site improvements, including the relevant requirements of the local jurisdiction with authority over building codes. If any Off-Site Construction costs are included in Eligible Basis, a letter must be provided from a certified public accountant allocating which portions of those costs should be included in Eligible Basis. If off-site costs are included in Eligible Basis based on PLR 200916007, a statement of findings from a CPA must be provided which describes the facts relevant to the Development and affirmatively certifies that the fact pattern of the Development matches the fact pattern in PLR 200916007.

(F) Rental Assistance/Subsidy. (§2306.6705(4)) If rental assistance, an operating subsidy, an annuity, or an interest rate reduction payment is proposed to exist or continue for the Development, any related contract or other agreement securing those funds or proof of application for such funds must be provided. Such documentation shall, at a minimum, identify the source and annual amount of the funds, the number of units receiving the funds, and the term and expiration date of the contract or other agreement.

(G) Occupied Developments. The items identified in clauses (i) - (vi) of this subparagraph must be submitted with any Application where any structure on the Development Site is occupied at any time after the Application Acceptance Period begins or if the Application proposes the demolition of any housing occupied at any time after the Application Acceptance Period begins. If the current property owner is unwilling to provide the required documentation then a signed statement from the Applicant attesting to that fact must be submitted. If one or more of the items described in clauses (i) - (vi) of this subparagraph is not applicable based upon the type of occupied structures on the Development Site, the Applicant must provide an explanation of such non-applicability. Applicant must submit:

(i) at least one of the items identified in subclauses (I) - (IV) of this clause:

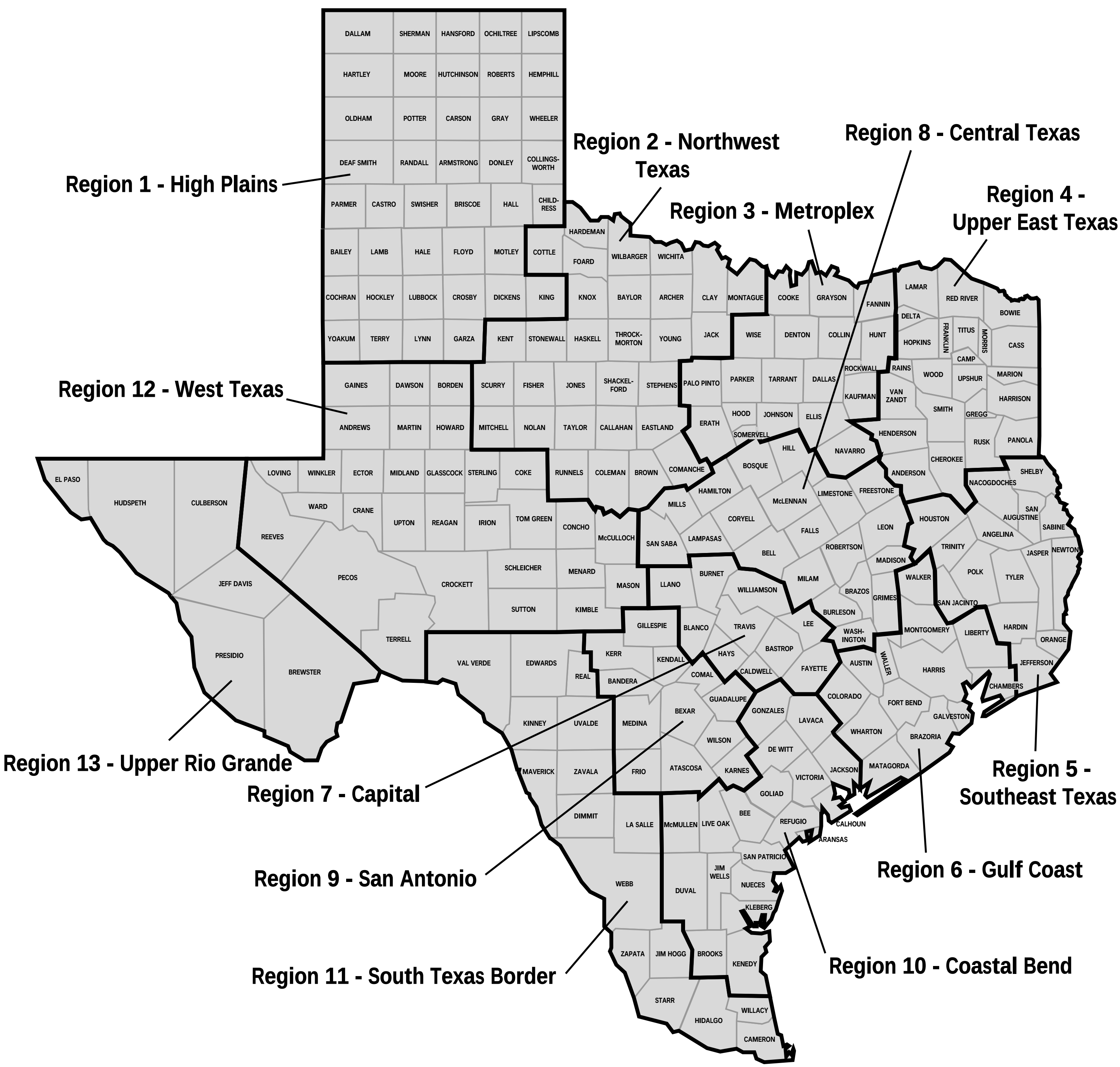
(I) historical monthly operating statements of the Existing

	Residential Development for twelve (12) consecutive months ending not more than three (3) months from the first day of the Application Acceptance Period; (II) the two (2) most recent consecutive annual operating statement summaries; (III) the most recent consecutive six (6) months of operating statements and the most recent available annual operating summary; or (IV) all monthly or annual operating summaries available; and (ii) a rent roll not more than six (6) months old as of the first day the Application Acceptance Period that discloses the terms and rate of the lease, rental rates offered at the date of the rent roll, Unit mix, and tenant names or vacancy; (iii) a written explanation of the process used to notify and consult with the tenants in preparing the Application; (§2306.6705(6)) (iv) a relocation plan outlining relocation requirements and a budget with an identified funding source; (§2306.6705(6)) (v) any documentation necessary for the Department to facilitate, or advise an Applicant with respect to or to ensure compliance with the Uniform Relocation Act and any other relocation laws or regulations as may be applicable; and (vi) if applicable, evidence that the relocation plan has been submitted to all appropriate legal or governmental agencies or bodies. (§2306.6705(6))

Housing Trust Fund
State of Texas
2017 Allocation Plan
Regional Allocation Formula

Region	ELI Households	ELI Renter Households	Sum of Need Variables	Allocation percentage	Regional Allocation
1	38,848	25,764	64,612	3%	$ 266,540
2	23,829	13,655	37,484	2%	$ 154,630
3	305,610	208,540	514,150	27%	$ 2,120,990
4	48,485	26,410	74,895	4%	$ 308,960
5	37,360	21,465	58,825	3%	$ 242,667
6	287,090	189,995	477,085	25%	$ 1,968,088
7	88,980	63,820	152,800	8%	$ 630,336
8	53,125	36,695	89,820	5%	$ 370,529
9	101,525	65,730	167,255	9%	$ 689,966
10	33,495	20,730	54,225	3%	$ 223,691
11	94,135	52,155	146,290	8%	$ 603,481
12	21,502	11,854	33,356	2%	$ 137,601
13	38,064	23,844	61,908	3%	$ 255,385
Total	**1,172,048**	**760,657**	**1,932,705**	**100%**	**$ 7,972,864**

13 Uniform State Service Regions of Texas



Section VI. Allocation Plan Requirements

Question 7: Maximum Per-Unit Development Subsidy Limits:
The State of Texas adopted the Basic Statutory Mortgage Limits for Calendar Year 2015 and the Annual Base City High Cost Percentage and High Cost Area Revisions for 2015 memo dated November 15, 2015, as the limits that will be used for HTF. The attached limits do not vary based on geographic location in Texas since the limits were approved by HUD for use throughout the state. They will be used statewide for ease of use both for applicants and TDHCA staff.

After reviewing the costs per unit on 39 projects that have received HOME funds – as both the only source of Department funding and as a gap financing source on 9% and 4% Housing Tax Credit-layered projects – over the past several years, the Department has found the following:

	Total Cost Per Unit (total development costs divided by total number of units)	HOME Cost Per HOME Unit (HOME funds invested divided by number of HOME units)
Urban New Construction Average	$155,381	$83,680
Rural New Construction Average	$148,907	$94,195

These projects were subject to Section 234 Condominium Housing Limits (formerly 221d3 Maximum Per Unit Subsidy Limits) with the applicable base city high cost percentages applied.

Given this fact, Texas will **not** establish its own maximum limitations on the total amount of NHTF funds that can be invested on a per-unit basis for the development of nonluxury housing. Texas will use the Section 234 Condominium Housing Limits with the applicable base high cost percentage applied for NHTF – as illustrated in the tables below – in the same way that these limits are used for HOME funds. Utilizing the same per-unit subsidy limits across all of the Department's Multifamily Direct Loan funding sources (HOME, NHTF, and TCAP Repayment Funds) will allow for an easier application and review process that will preserve the Department's ability to award funds based on what is available rather than prescribe a funding source at the time of application. Additionally, these per-unit subsidy limits accurately reflect what the Department has observed in the market regarding construction costs; no area of the state seems immune from the increasing construction costs.

Bdrm Size	Section 234 (elevator) limits	HCP (FTW HUB)	HOME Max Per-Unit Subsidy Limit
0	$ 58,787	215%	**$ 126,392**
1	$ 67,391	215%	**$ 144,891**
2	$ 81,947	215%	**$ 176,186**
3	$ 106,013	215%	**$ 227,928**
4+	$ 116,369	215%	**$ 250,193**

accordance with the agency's procedures. If the agency has received and acted upon or will act upon a SAVE verification and you do not believe the response is correct, you may make an InfoPass appointment for an in-person interview at a local USCIS office. Detailed information on how to make corrections, make an appointment, or submit a written request to correct records under the Freedom of Information Act can be found on the SAVE Web site at *http://www.uscis.gov/save,* then by choosing ''For Benefits Applicants'' from the menu on the left, selecting ''Save Resources,'' followed by ''SAVE Fact Sheet for Benefit Applicants.''

[FR Doc. 2017–10749 Filed 5–23–17; 8:45 am]

BILLING CODE 9111–97–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–6011–N–01]

Annual Indexing of Basic Statutory Mortgage; Limits for Multifamily Housing Programs

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

ACTION: Notice.

SUMMARY: In accordance with Section 206A of the National Housing Act, HUD has adjusted the Basic Statutory Mortgage Limits for Multifamily Housing Programs for Calendar Year 2016.

DATES: Effective January 1, 2016.

FOR FURTHER INFORMATION CONTACT: Daniel J. Sullivan, Acting Director, Office of Multifamily Development, Department of Housing and Urban Development, 451 Seventh Street SW., Washington, DC 20410–8000, telephone (202) 402–6130 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Information Relay Service at (800) 877–8339.

SUPPLEMENTARY INFORMATION: The FHA Down Payment Simplification Act of 2002 (Pub. L. 107–326, approved December 4, 2002) amended the National Housing Act by adding a new Section 206A (12 U.S.C. 1712a). Under Section 206A, the following are affected:

I. Section 207(c)(3)(A) (12 U.S.C. 1713(c)(3)(A));
II. Section 213(b)(2)(A) (12 U.S.C. 1715e (b)(2)(A));
III. Section 220(d)(3)(B)(iii)(I) (12 U.S.C. 1715k (d)(3)(B)(iii)(I));
IV. Section 221(d)(4)(ii)(I) (12 U.S.C. 17151(d)(4)(ii)(I));
V. Section 231(c)(2)(A) (12 U.S.C. 1715v(c)(2)(A)); and
VI. Section 234(e)(3)(A) (12 U.S.C. 1715y(e)(3)(A)).

The Dollar Amounts in these sections are the base per unit statutory limits for FHA's multifamily mortgage programs collectively referred to as the 'Dollar Amounts,' they are adjusted annually (commencing in 2004) on the effective date of the Consumer Financial Protection Bureau's adjustment of the $400 figure in the Home Ownership and Equity Protection Act of 1994 (HOEPA) (Pub. L. 103–325, approved September 23, 1994). The adjustment of the Dollar Amounts shall be calculated using the percentage change in the Consumer Price Index for All Urban Consumers (CPI–U) as applied by the Bureau of Consumer Financial Protection for purposes of the above-described HOEPA adjustment.

HUD has been notified of the percentage change in the CPI–U used for the HOEPA adjustment and the effective date of the HOEPA adjustment. The percentage change in the CPI–U is 0.7% and the effective date of the HOEPA adjustment is January 1, 2016. The Dollar Amounts have been adjusted correspondingly and have an effective date of January 1, 2016.

The adjusted Dollar Amounts for Calendar Year 2016 are shown below:

Basic Statutory Mortgage Limits for Calendar Year 2016

Multifamily Loan Programs

Section 207—Multifamily Housing

Section 207 Pursuant to Section 223(f)—Purchase or Refinance Housing

Section 220—Housing in Urban Renewal Areas

Bedrooms	Non-elevator	Elevator
0	$50,515	$58,921
1	55,958	65,286
2	66,841	80,053
3	82,386	100,263
4+	93,270	113,369

Section 213—Cooperatives

Bedrooms	Non-elevator	Elevator
0	$54,745	$58,291
1	63,122	66,042
2	76,127	80,307
3	97,443	103,892
4+	108,558	114,044

Section 234—Condominium Housing

Bedrooms	Non-elevator	Elevator
0	$55,862	$58,787
1	64,410	67,391
2	77,680	81,947
3	99,433	106,013
4+	110,772	116,369

Section 221(d)(4)—Moderate Income Housing

Bedrooms	Non-elevator	Elevator
0	$50,273	$54,305
1	57,068	62,255
2	68,981	75,702
3	86,582	97,932
4+	97,836	107,501

Section 231—Housing for the Elderly

Bedrooms	Non-elevator	Elevator
0	$47,797	$54,305
1	53,433	62,255
2	63,808	75,702
3	76,789	97,932
4+	90,278	107,501

Section 207—Manufactured Home Parks Per Space—$23,191

Dated: May 17, 2017.

Genger Charles,

General Deputy, Assistant Secretary for Housing.

[FR Doc. 2017–10558 Filed 5–23–17; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF JUSTICE

Bureau of Alcohol, Tobacco, Firearms and Explosives

[OMB Number 1140–0013]

Agency Information Collection Activities; Proposed eCollection eComments Requested; Application for Tax-Exempt Transfer of Firearm and Registration to Special Occupational Taxpayer, ATF Form 3 (5320.3)

AGENCY: Bureau of Alcohol, Tobacco, Firearms and Explosives, Department of Justice.

ACTION: 30-Day notice.

SUMMARY: The Department of Justice (DOJ), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), will submit the following information collection request to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act of 1995. The proposed information collection was previously published in the **Federal Register** on March 14, 2017, allowing for a 60-day comment period.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

Date: January 11, 2017

MORTGAGEE LETTER 2017-02

TO: ALL FHA APPROVED MULTIFAMILY MORTGAGEES

SUBJECT: Annual Base City High Cost Percentage and High Cost Area Revisions for 2016

Maximum mortgage amounts were revised by the Consolidated Appropriations Act, 2008 (Public Law 110-161, approved December 26, 2007) (FY 2008 Appropriations Act). Section 221 of the General Provisions of Title II of Division K of the FY 2008 Appropriations Act revises the statutory exceptions to maximum mortgage amounts for the FHA Multifamily Housing Programs, listed in Section 221 of the FY 2008 Appropriations Act, by (1) substituting 170 percent for the 140 percent exception of any geographical area, and (2) substituting 215 percent for 170 percent as the maximum exception allowed for a specific project. Accordingly, the statutory revision allows the Secretary to grant exceptions to maximum mortgage limits for certain Multifamily Housing Programs by (1) up to 170 percent, (equivalent to a 270 percent multiplier) in geographical areas where cost levels so require or (2) up to 170 percent, or 215 percent in High Cost Areas, (equivalent to a 315 percent multiplier) where necessary on a project-by-project basis.

The law does not determine which areas are to be considered "High Cost Areas." Accordingly, the Office of Multifamily Production has developed a list of High Cost Areas for 2016. The threshold for a High Cost Area has been set for all areas (Special Limit Areas excepted) with a "calculated" High Cost Percentage (HCP) of 281.70 or greater, but because of the statutory cap of 170 percent or 270 percent multiplier, some localities have a higher HCP but still have the 270 percent multiplier.

The attached designated Annual Base City High Cost Percentages and High Cost Areas are effective January 1, 2016 and for transactions with firm commitments issued prior to the publication of the High Cost Percentages and Area Revisions for calendar year 2017.

SPECIAL LIMIT AREAS

Guam, the U.S. Virgin Islands, and the states of Alaska and Hawaii are Special Limit areas. Care should be taken to ensure that the appropriate limits are used for corresponding programs. The HCP for Special Limit Areas is 405 percent.

Paperwork Reduction Act

There are no information collection requirements in this Mortgagee Letter, and therefore the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) does not apply. In accordance with the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Attachment

Edward L. Golding
Principal Deputy Assistant Secretary for Housing

FHA Multifamily Statutory Mortgage Programs
Base Percentages for High Cost Areas – Effective January 2016

Atlanta GA – Southeast Regional Office	252%
Birmingham AL	221%
Little Rock AR	212%
Jacksonville FL*	243%
Key West FL	270%
Miami FL	253%
Tampa FL	265%
Louisville KY	239%
Jackson MS	212%
Greensboro NC	244%
San Juan PR	270%
Columbia SC	237%
Knoxville TN	226%
Memphis TN	220%
Nashville TN	223%
US Virgin Islands**	405%

Ft. Worth TX – Southwest Regional	215%
Office	212%
Dallas TX	209%
Houston TX	209%
Lubbock TX	192%
San Antonio TX	212%
Little Rock AR	242%
Des Moines IA	233%
Topeka KS	218%
New Orleans, LA	221%
Shreveport LA	270%
Kansas City MO*	270%
St. Louis MO	224%
Omaha NB	233%
Oklahoma City OK	226%
Tulsa OK	

San Francisco CA – Western Regional Office	270%
Los Angeles CA	270%
Sacramento CA	270%
San Diego CA	270%
Santa Ana CA	270%
Anchorage AK**	405%
Phoenix AZ	248%
Denver CO*	270%
Boise ID	270%
Honolulu HI**	405%
Helena MT	250%
Fargo ND	249%
Las Vegas NV	270%
Portland OR	270%
Salt Lake City UT	261%
Seattle WA	270%
Spokane WA	270%
Casper WY	262%

Chicago IL – Midwest Regional Office	270%
Springfield IL	270%
Indianapolis IN	248%
Detroit MI*	270%
Grand Rapids MI	243%
Minneapolis MN*	270%
Cincinnati OH	248%
Cleveland OH	270%
Columbus OH	248%
Milwaukee WI	270%

New York NY – Northeast Regional Office	270%
Albany NY	270%
Buffalo NY	270%
Hartford CT	270%
Washington DC	270%
Wilmington DE	270%
Boston MA*	270%
Bangor ME	270%
Baltimore MD*	270%
Manchester NH	270%
Camden NJ	270%
Newark NJ	270%
Philadelphia PA	270%
Pittsburg PA	270%
Providence RI	270%
Richmond VA	270%
Burlington VT	270%
Charleston WV	270%

Satellite Office - *

Special Limit- **

Note: Offices with a “calculated” HCP of 281.70 (before the statutory cap of 270) or higher are designated “High Cost Areas” and are shaded. The Multifamily for Tomorrow (MFT) Transformation has been completed, so this Housing Notice reflects the MFT changes with respect to the new organizational structure.

Internal HUD Distribution:		
Chron : 6134	H : Golding	
HTEA T. Bernaciak		
HT : Jayachadran		
H : Golrick		
Identification Lines: J:\HMIP\HTDT TECHNICAL SUPPORT DIVISION\Stats and HCPs\HCF 2016		
2016-HTDP-HQ-		

Correspondence Code HTEA	Originator T. Bernaciak	Concurrence D. Sullivan	Concurrence M. Kudlowitz	Concurrence Jayachandran	Concurrence G. Charles	Concurrence J. Golrick
Name						
Date						

Official Record Copy U.S. Department of Housing and Urban Development form HUD-713.1 (02/03)
Previous edition is obsolete.

Andrew Sinnott

From: Melendez, Ellen M [Ellen.M.Melendez@hud.gov]
Sent: Thursday, July 20, 2017 3:28 PM
To: Andrew Sinnott
Cc: Marni Holloway; Megan Sylvester; Jensen, Gerald R
Subject: FW: HUD Publishes New 2016 Limits for HOME Maximum Per-Unit Subsidies

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From: Henley, Shirley J
Sent: Wednesday, July 05, 2017 10:59 AM

Subject: FW: HUD Publishes New 2016 Limits for HOME Maximum Per-Unit Subsidies

Good Morning
To follow-up with the 2016 Limits for HOME Maximum Per-Unit Subsidies, the Field Office has the option of using the higher of either the Hub's High Cost Percentages (HCP) for the entire field office jurisdiction, or individual PJ's HCP, when they are included in the base HCP list. The Fort Worth HUB's HCP is 215% for all PJ's in the Fort Worth Field Office jurisdiction.

The following are the new HOME max per-unit subsidy limit calculations, effective May 24, 2017.
This information needs to be provided to all HOME PJ's.
Please distribute to your HOME points-of-contact and ask them to forward the information to their PJ's.

Bdrm Size	Section 234 (elevator) limits	HCP (FTW HUB)	HOME Max Per-Unit Subsidy Limit
0	$ 58,787	215%	$ 126,392
1	$ 67,391	215%	$ 144,891
2	$ 81,947	215%	$ 176,186
3	$ 106,013	215%	$ 227,928
4+	$ 116,369	215%	$ 250,193

Effective May 24, 2017

Is this email not displaying correctly? View it in your browser.

HUD Publishes New 2016 Limits for HOME Maximum Per-Unit Subsidies

In accordance with Section 206A of the National Housing Act, HUD has adjusted the basic statutory mortgage limits for Multifamily Housing Programs for calendar year 2016. These limits are effective for the HOME Investment Partnerships Program (HOME) on May 24, 2017, until such date that the basic statutory mortgage limits for Multifamily Housing Programs for calendar year 2017 are published in the Federal Register.

View the 2016 Section 234 limits and guidance on the HOME maximum per-unit subsidy limits.

Due to the discontinuation of the Section 221(d)(3) mortgage insurance program, alternate maximum per-unit subsidy limits must be used for the HOME program. HUD is required to undertake rulemaking to establish new maximum per-unit subsidy limits for the HOME Program because it is no longer updating and publishing limits for the Section 221(d)(3) mortgage insurance program.

Until a new rule can be published, HUD published CPD Notice 15-003: Interim Policy on Maximum Per-Unit Subsidy Limits for the HOME Program establishing an interim policy that Field Office staff and participating jurisdictions (PJs) must follow directing PJs to use the Section 234-Condomimium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) limits in order to determine the maximum amount of HOME funds a PJ may invest on a per-unit basis in HOME-assisted housing projects. This interim policy remains in effect until the effective date of the new final rule provisions, amending the existing provisions of 24 CFR 92.250(a).

HUD has also issued HOMEfires - Vol. 12 No. 1, May 2015: Guidance on Using the Base City High Cost Percentages to Determine the Maximum Per-Unit Subsidy Limits for HOME. The HOMEfires provides guidance on if a PJ that is not listed on the published list of “Base City High Cost Percentages” to use the high-cost percentage of its HUD Multifamily Hub to determine the maximum per-unit subsidy limits for HOME.

Andrew Sinnott

From: Melendez, Ellen M [Ellen.M.Melendez@hud.gov]
Sent: Thursday, July 20, 2017 3:27 PM
To: Andrew Sinnott
Cc: Marni Holloway; Megan Sylvester; Jensen, Gerald R
Subject: RE: Maximum Per Unit Subsidy Limits for the State of Texas (PJ)

Hi Andrew,

You should have been notified about the revised max per-unit subsidy limits earlier this month - I will forward it to you. We went with 215% for the entire field office jurisdiction

Ellen

From: Andrew Sinnott [mailto:andrew.sinnott@tdhca.state.tx.us]
Sent: Thursday, July 20, 2017 2:49 PM
To: Melendez, Ellen M <Ellen.M.Melendez@hud.gov>
Cc: Marni Holloway <marni.holloway@tdhca.state.tx.us>; Megan Sylvester <megan.sylvester@tdhca.state.tx.us>; Jensen, Gerald R <Gerald.R.Jensen@hud.gov>
Subject: RE: Maximum Per Unit Subsidy Limits for the State of Texas (PJ)

Hi Ellen,

We received a link to HOMEfires Vol. 12 No. 1 (Revised July 2016) last week. Is this HOMEfire the approval that we need to move forward with using the High Cost Percentage for the Fort Worth HUB (215%) for the newly effective 234 condo limits on statewide basis?

Thanks,

Andrew Sinnott
Multifamily Loan Programs Administrator
512.475.0538

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b), there are important limitations and caveats (Also see 10 TAC §10.2(b)).

From: Andrew Sinnott
Sent: Tuesday, June 27, 2017 2:13 PM
To: 'Melendez, Ellen M'
Cc: Marni Holloway; Megan Sylvester; Jensen, Gerald R
Subject: RE: Maximum Per Unit Subsidy Limits for the State of Texas (PJ)

Okay – thanks for the update.

Andrew Sinnott
Multifamily Loan Programs Administrator
512.475.0538

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b), there are important limitations and caveats (Also see 10 TAC §10.2(b)).

From: Melendez, Ellen M [mailto:Ellen.M.Melendez@hud.gov]
Sent: Tuesday, June 27, 2017 1:16 PM
To: Andrew Sinnott

1j

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 22, 2018

Presentation, discussion and possible action on a Determination Notice for Housing Tax Credits with another Issuer (#17438 McKinney Falls Apartments, Austin ETJ)

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for McKinney Falls Apartments, sponsored by the Travis County Housing Finance Corporation and AMTEX, was submitted to the Department on September 29, 2017;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board was issued on November 9, 2017, and will expire on April 8, 2018; and

WHEREAS, the proposed issuer of the bonds is the Travis County Housing Finance Corporation;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of $1,909,145 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 McKinney Falls Apartments is hereby approved as presented to this meeting.

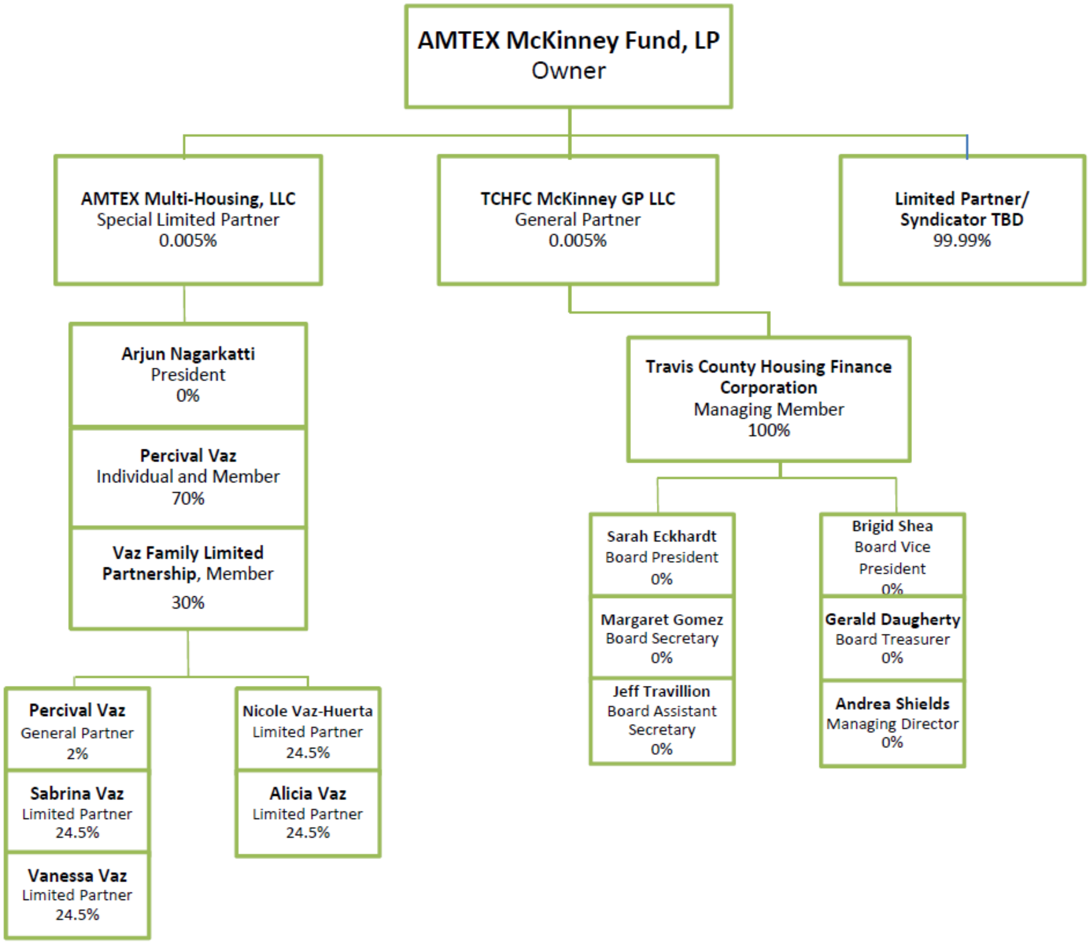
BACKGROUND

General Information: The McKinney Falls Apartments, proposed to be located at 6609 McKinney Falls Parkway in the extraterritorial jurisdiction of Austin, Travis County, involves the new construction of 312 units; of which 279 units will be rent and income restricted at 60% of Area Median Family Income ("AMFI"), 17 will be rent and income restricted at 50% AMFI, and 16 units will be market rate. The development will serve a general population and is currently zoned appropriately. The census tract (0024.32) has a median household income of $38,547, is in the fourth quartile, and has a poverty rate of 30.8%.

Organizational Structure and Previous Participation: The Borrower is AMTEX McKinney Fund, LP, and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Medium Category 2 and the previous participation was deemed acceptable by EARAC without further review or discussion. EARAC also reviewed the proposed financing and the underwriting report, and recommends issuance of a Determination Notice.

Public Comment: The Department has not received any letters of support or opposition.

EXHIBIT A


AMTEX McKinney Fund, LP
Owner
AMTEX Multi-Housing, LLC
Special Limited Partner
0.005%
TCHFC McKinney GP LLC
General Partner
0.005%
Limited Partner/
Syndicator TBD
99.99%
Arjun Nagarkatti
President
0%
Percival Vaz
Individual and Member
70%
Vaz Family Limited
Partnership, Member
30%
Travis County Housing Finance
Corporation
Managing Member
100%
Sarah Eckhardt
Board President
0%
Brigid Shea
Board Vice
President
0%
Margaret Gomez
Board Secretary
0%
Gerald Daugherty
Board Treasurer
0%
Jeff Travillion
Board Assistant
Secretary
0%
Andrea Shields
Managing Director
0%
Percival Vaz
General Partner
2%
Nicole Vaz-Huerta
Limited Partner
24.5%
Sabrina Vaz
Limited Partner
24.5%
Alicia Vaz
Limited Partner
24.5%
Vanessa Vaz
Limited Partner
24.5%

17438 McKinney Falls Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
February 12, 2018

PROPERTY IDENTIFICATION

Application #	17438	
Development	McKinney Falls Apartments	
City / County	Austin / Travis	
Region/Area	7 / Urban	
Population	General	
Set-Aside	General	
Activity	New Construction	N/A

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	$1,909,145	$1,909,145	$6,119/Unit	$0.85

KEY PRINCIPAL / SPONSOR

AMTEX Multi-Housing LLC
(Arjun Nagarkatti - President
&
David Yarden - VP of Finance & General Council)

Related-Parties	Contractor - Y	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

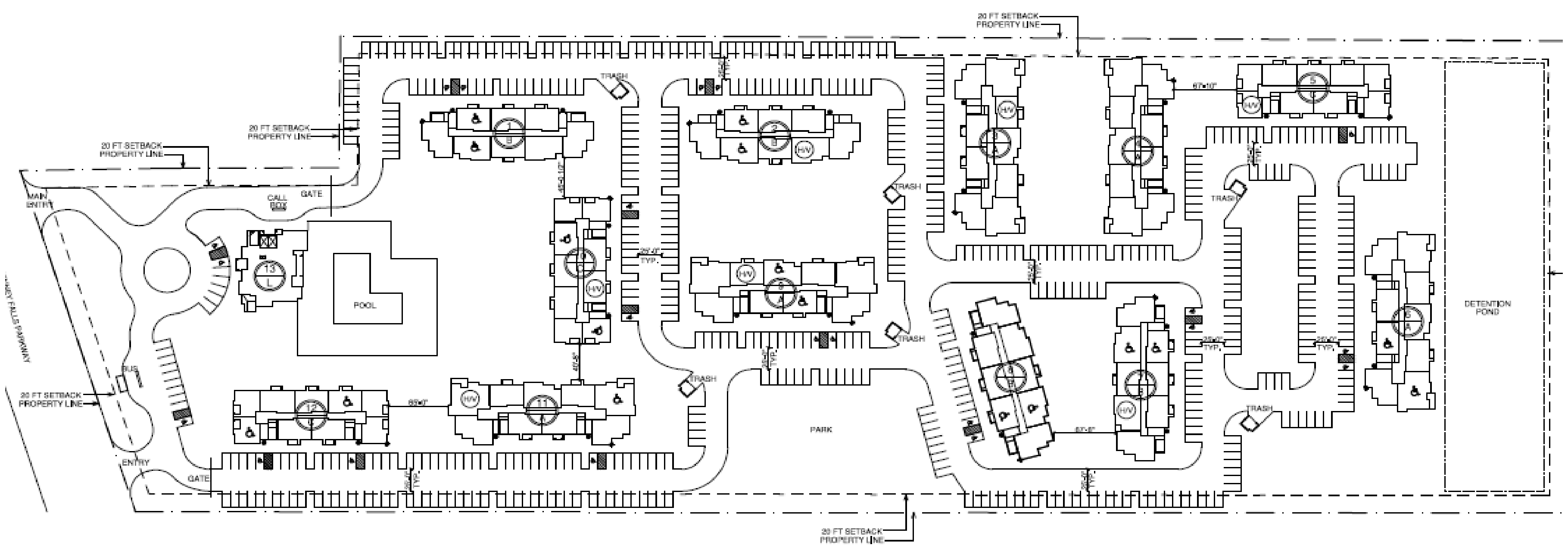
UNIT DISTRIBUTION / INCOME DISTRIBUTION

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	36	12%	40%	-	0%
2	153	49%	50%	17	5%
3	93	30%	60%	279	89%
4	30	10%	MR	16	5%
TOTAL	312	100%	TOTAL	312	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	35.1%
Breakeven Occ.	84.6%	Breakeven Rent	$982
Average Rent	$1,076	B/E Rent Margin	$94
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	$4,250/unit	Controllable	$3,142/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			7.4%
Highest Unit Capture Rate	65%	3 BR/60%	81
Dominant Unit Cap. Rate	49%	2 BR/60%	138
Premiums (↑60% Rents)	Yes		$72/Avg.
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	971 SF	Density	16.5/acre
Acquisition		$06K/unit	$1,799K
Building Cost	$78.36/SF	$76K/unit	$23,731K
Hard Cost		$108K/unit	$33,574K
Total Cost		$185K/unit	$57,656K
Developer Fee	$6,646K	(13% Deferred)	Paid Year: 1
Contractor Fee	$4,417K	30% Boost	Yes

REHABILITATION COSTS / UNIT

Site Work	$9K	8%	Finishes/Fixtures		
Building Shell	$85K	79%	Amenities	$2K	2%
HVAC	$16K	15%	Total Exterior	$96K	89%
Appliances			Total Interior	$16K	15%

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Mason Joseph Company	40/40	4.10%	$40,329,800	1.14
TOTAL DEBT (Must Pay)			$40,329,800	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
TCHFC McKinney GP LLC	30/0	0.00%	$750,000	1.15
CASH FLOW DEBT / GRANTS			$750,000	

EQUITY / DEFERRED FEES	
Source	Amount
CREA, LLC	$16,225,948
AMTEX Development, LLC	$850,717
TOTAL EQUITY SOURCES	$17,076,664
TOTAL DEBT SOURCES	$41,079,800
TOTAL CAPITALIZATION	$58,156,464

CONDITIONS

1 Receipt and acceptance before Determination Notice:

- Revised Off-Site Cost Breakdown and Site Work Cost Breakdown exhibits, certified by Third Party engineer, reflecting underwritten cost estimates submitted in HUD application.

  CPA allocation of eligible site work costs if costs exceed $15K per unit.

2 Receipt and acceptance by Cost Certification:

- Attorney opinion validating federally sourced funds can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER	
Issuer	TRAVIS COUNTY HFC
Expiration Date	4/5/2018
Bond Amount	$30,000,000
BRB Priority	Priority 3
Close Date	TBD
Bond Structure	Cash-Collateralized FHA Loan

RISK PROFILE

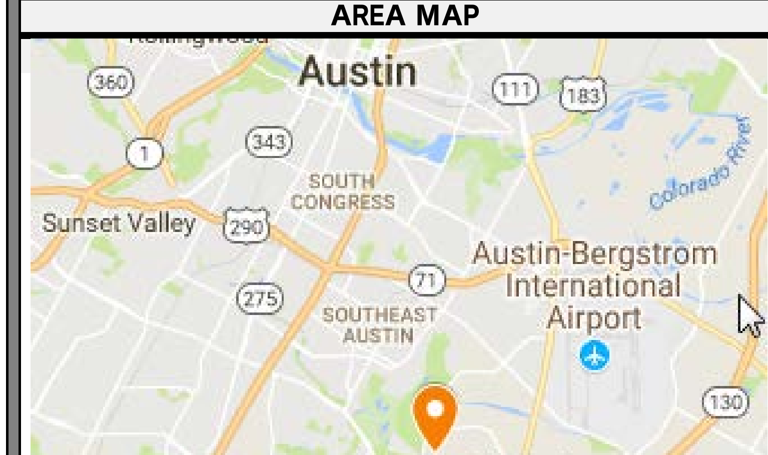
STRENGTHS/MITIGATING FACTORS

- Low expense ratio due to property tax exemption
- 97% occupancy in PMA
- Experienced developer / owner

WEAKNESSES/RISKS

- Feasibility dependent on property tax exemption
- 60% AMI Band capture rate is 12% in PMA
- 2 miles from Austin airport

AREA MAP



AERIAL PHOTOGRAPH(s)

1j -17448 Sun Plaza

TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 22, 2018

Presentation, discussion and possible action on a Determination Notice for Housing Tax Credits with another Issuer (#17449 Quail Chase Apartments, Houston ETJ)

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for Quail Chase Apartments, sponsored by Dominium Holdings I, LLC, was submitted to the Department on December 8, 2017;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board was issued on October 5, 2017, and will expire on March 4, 2018;

WHEREAS, the proposed issuer of the bonds is the Harris County Housing Finance Corporation;

WHEREAS, pursuant to 10 TAC §10.101(a)(3) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose to the Department the presence of certain characteristics of a proposed development site;

WHEREAS, the applicant has disclosed the presence of such a characteristic, specifically the proposed development is located within the attendance zone of an elementary school that did not achieve the Met Standard rating by the Texas Education Agency ("TEA") for 2016;

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood, and based on the fact that the elementary achieved the Met Standard rating for 2017, staff recommends the proposed site be found eligible under 10 TAC §10.101(a)(3)(C)(vii) of the Uniform Multifamily Rules; and

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the compliance history is designated as a Category 3 Portfolio and deemed acceptable by Executive Award and Review Advisory Committee ("EARAC") after review and discussion;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of $1,000,236 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 Quail Chase Apartments is hereby approved as presented to this meeting.

BACKGROUND

General Information: Quail Chase Apartments, proposed to be located at 500 West Airtex Boulevard in the extraterritorial jurisdiction of Houston, Harris County, involves the acquisition and rehabilitation of 248 units which were originally constructed in 2000 with tax-exempt bonds and Housing Tax Credits. The development will continue to be operated as affordable housing and all of the units will be rent and income restricted at 60% of Area Median Family Income. The development will serve a general population and conforms to current zoning. The census tract (5503.01) has a median household income of $31,728, is in the fourth quartile, and has a poverty rate of 18.6%.

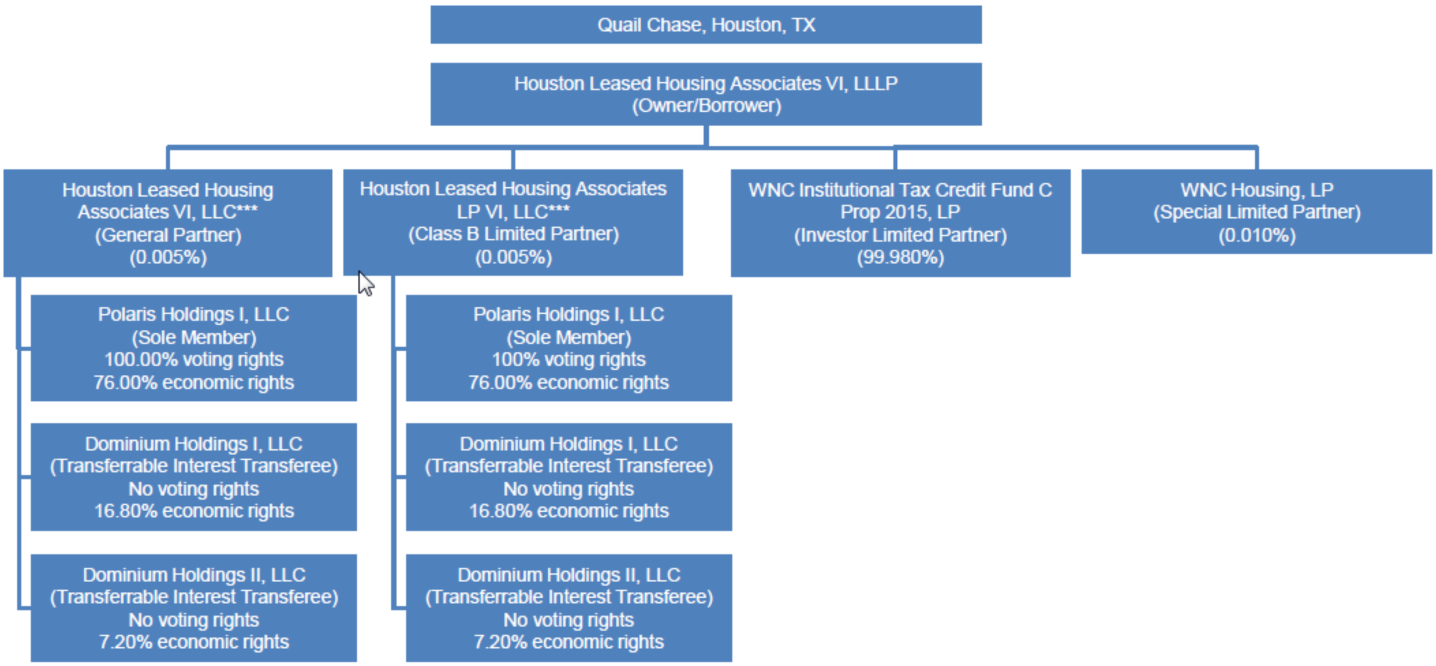
Worth noting for this transaction that has differed from prior 4% HTC applications is that the applicant closed on the bond financing on December 21, 2017, prior to the award of 4% HTCs. The financing structure and acquisition for Quail Chase Apartments included several timing considerations and the applicant's plan to acquire the property included a two-step process. An affiliate of the applicant acquired all the General and Limited Partner interest of the seller partnership which was then followed by the application for tax-exempt bonds and 4% HTCs for acquisition and rehabilitation of the property. There was a short timeframe regarding acquisition due to the seller's first mortgage loan maturing in October 2017. The Purchase Agreement required closing to occur within 15 days after Department approval of the request for the transfer of the General Partner and Limited Partner interests. Closing on the acquisition occurred prior to bond closing. An equity bridge lender will be utilized during the construction period to bridge the investors' equity. According to the applicant, the receipt of the Determination Notice will then trigger additional equity installments.

Site Analysis: The applicant disclosed that Quail Chase Apartments violates 10 TAC §10.101(a)(3)(B)(iv) of the Uniform Multifamily Rules. The proposed development site is located within the attendance zone of Ralph Eickenroht Elementary School, which received an Improvement Requirement rating for 2016. The school did not reach the target scores for Index 1 or 3. Notably, the elementary missed the target score by one point under Index 3 and; therefore, failed to achieve the Met Standard rating. However, based on the 2017 TEA Ratings, the elementary school achieved Met Standard. Staff believes the 2017 TEA Ratings are sufficient mitigation under the rule and believes the application should be found eligible pursuant to 10 TAC §10.101(a)(3) of the Uniform Multifamily Rules.

Organizational Structure and Previous Participation: The Borrower is Houston Leased Housing Associates VI, LLLP, and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Category 3 and the previous participation was deemed acceptable by EARAC after review and discussion. EARAC also reviewed the proposed financing and the underwriting report, and recommends issuance of a Determination Notice.

Public Comment: The Department has not received any letters of support or opposition.

EXHIBIT A



*** Note: The General Partner and Class B Limited Partner are Minnesota limited liability companies and each is managed by a Board of Governors. The members of the Board of Governors of the General Partner and Class B Limited Partner and their respective voting rights as governors are as follows: Armand E. Brachman (38.25%), Paul R. Sween (38.25%), and Mark S. Moorhouse (23.50%). The officers of such entities are Mr. Brachman (Co-Chief Manager, Co-President, Secretary), Mr. Sween (Co-Chief Manager, Co-President, Treasurer), and Mr. Moorhouse (Senior Vice President).

17449 Quail Chase Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
February 22, 2018

PROPERTY IDENTIFICATION	
Application #	17449
Development	Quail Chase Apartments
City / County	Houston / Harris
Region/Area	6 / Urban
Population	General
Set-Aside	General
Activity	Acquisition/Rehab (Built in 2000)

RECOMMENDATION					
TDHCA Program	**Request**	**Recommended**			
LIHTC (4% Credit)	$1,021,266	**$1,000,236**	**$4,033/Unit**	**$1.00**	
	Amount	**Rate**	**Amort**	**Term**	**Lien**

KEY PRINCIPAL / SPONSOR		
Ryan Lunderby / Dominium, Inc.		
Related-Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

SITE PLAN

UNIT DISTRIBUTION		
# Beds	**# Units**	**% Total**
Eff	-	0%
1	72	29%
2	96	39%
3	80	32%
4	-	0%
TOTAL	248	100%

INCOME DISTRIBUTION		
Income	**# Units**	**% Total**
30%	-	0%
40%	-	0%
50%	-	0%
60%	248	100%
MR	-	
TOTAL	248	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten	Applicant's Pro Forma		
Debt Coverage	1.16	**Expense Ratio**	43.6%
Breakeven Occ.	85.4%	**Breakeven Rent**	$845
Average Rent	$916	**B/E Rent Margin**	$71
Property Taxes	$839/unit	**Exemption/PILOT**	0%
Total Expense	$4,533/unit	**Controllable**	$2,728/unit

MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			8.0%
Highest Unit Capture Rate	30%	2 BR/60%	96
Dominant Unit Cap. Rate	30%	2 BR/60%	96
Premiums (↑60% Rents)	No		
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten	TDHCA's Costs - Based on PCA		
Avg. Unit Size	929 SF	**Density**	16.2/acre
Acquisition		$70K/unit	$17,250K
Building Cost	$20.91/SF	$19K/unit	$4,816K
Hard Cost		$24K/unit	$5,982K
Total Cost		$127K/unit	$31,397K
Developer Fee	$3,565K	(68% Deferred)	Paid Year: 10
Contractor Fee	$838K	**30% Boost**	Yes

REHABILITATION COSTS / UNIT					
Site Work	$1K	6%	Finishes/Fixture	$7K	31%
Building Shell	$8K	37%	Amenities	$1K	5%
HVAC	$1K	6%	Total Exterior	$11K	48%
Appliances	$3K	15%	Total Interior	$11K	52%

DEBT (Must Pay)

Source	Term	Rate	Amount	DCR
Dougherty & Company	30/35	5.50%	$18,760,000	1.16
TOTAL DEBT (Must Pay)			**$18,760,000**	

CASH FLOW DEBT / GRANT FUNDS

Source	Term	Rate	Amount	DCR
GP / SLP Equity	0/0	0.00%	$200	1.16
CASH FLOW DEBT / GRANTS			**$200**	

EQUITY / DEFERRED FEES

Source	Amount
WNC	$10,052,372
Houston Leased Housing Assoc. VI, LLLP	$2,584,634
TOTAL EQUITY SOURCES	$12,637,006
TOTAL DEBT SOURCES	$18,760,200
TOTAL CAPITALIZATION	$31,397,206

CONDITIONS

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER

Issuer	Harris County Housing Finance
Expiration Date	3/4/2018
Bond Amount	$21,000,000
BRB Priority	Priority 3
Close Date	TBD
Bond Structure	Private Placement

RISK PROFILE

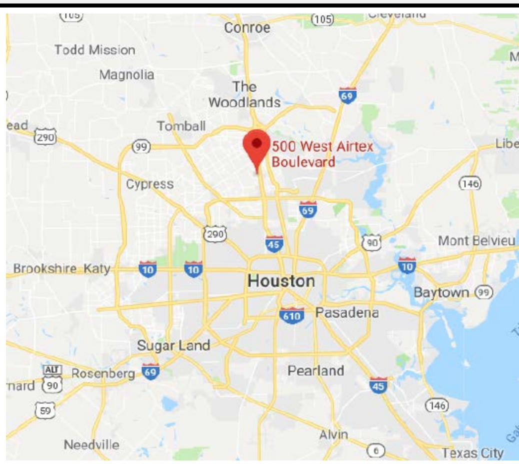
STRENGTHS/MITIGATING FACTORS

- 97% average occupancy at HTC properties in PMA
- Renovated units more likely to command program rents
- No tenant relocation anticipated
- Experienced developer

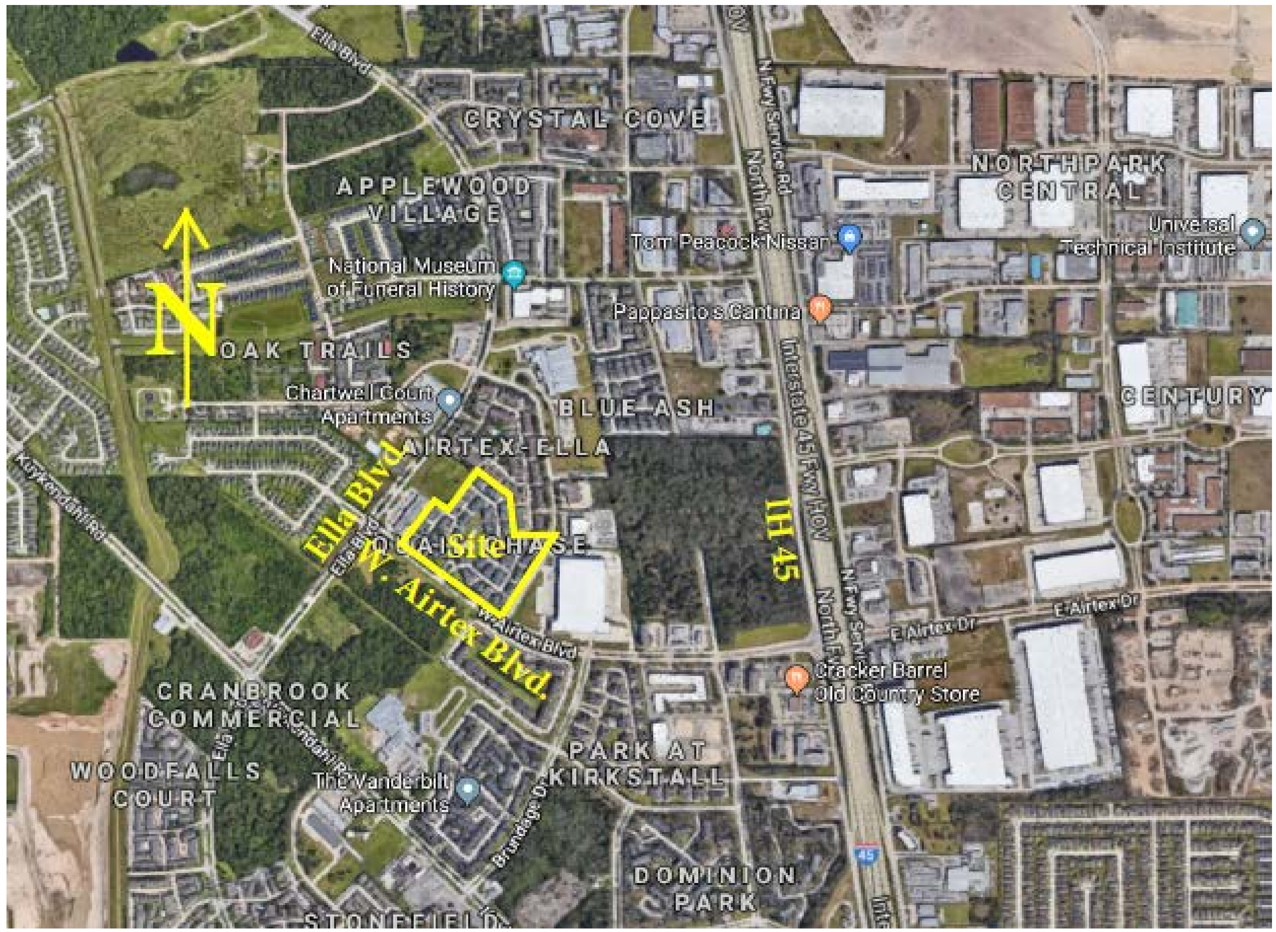
WEAKNESSES/RISKS

- 87.5% occupancy reported at 1/29/2018
- Existing rents are below net 60% limits
- Unit capture rates of 25% to 30%
- Possibility of unforeseen deferred maintenance

LOCATION MAP



AERIAL PHOTOGRAPH(s)



1k

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 22, 2018

Presentation, discussion and possible action on Inducement Resolution No. 18-014, Santa Maria Apartments, Fairway Village Apartments, and Forestwood Apartments, for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority on the 2018 Waiting List

RECOMMENDED ACTION

WHEREAS, a bond pre-application, for each of the developments detailed below, was submitted to the Department for consideration of an inducement resolution;

WHEREAS, Board approval of the inducement resolution is the first step in the application process for a multifamily bond issuance by the Department; and

WHEREAS, approval of the inducement will allow staff to submit an application to the Bond Review Board ("BRB") for the issuance of a Certificate of Reservation associated with the development;

NOW, therefore, it is hereby

RESOLVED, that based on the foregoing, the Inducement Resolution No. 18-014 to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority under the Private Activity Bond Program for Forestwood Apartments, Fairway Village and Santa Maria Village is hereby approved in the form presented to this meeting.

BACKGROUND

The BRB administers the state's annual private activity bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and is required to induce an application for bonds prior to the submission to the BRB. Approval of the inducement resolution does not constitute approval of the Development but merely allows the Applicant the opportunity to move into the full application phase of the process. Once the application receives a Certificate of Reservation, the Applicant has 150 days to close on the private activity bonds.

During the 150-day process, the Department will review the complete application for compliance with the Department's Rules, including but not limited to site eligibility and threshold as well as previous participation as it relates to previously funded developments through the Department. During the review of the full application, staff will also underwrite the transaction and determine financial feasibility in accordance with the Real Estate Analysis Rules. The Department will schedule and conduct a public hearing, and the complete application, including a transcript from the hearing, will then be presented to the Board for a decision on the issuance of bonds as well as a determination on the amount of housing tax credits anticipated to be allocated to the development. This inducement resolution would reserve approximately $60 million in private activity bond volume cap.

Santa Maria Village (18602)

This development is to be located at 8071 N Lamar Boulevard in Austin, Travis County, and includes the acquisition and rehabilitation of 176 units serving the general population. This transaction is proposed to be Priority 3 with 175 of the units rent and income restricted at 50% of AMFI and one employee-occupied unit. The Department has not received any letters of support or opposition for this development.

Fairway Village (18601)

This development is to be located at 6118 Fairway Drive in Austin, Travis County, and includes the acquisition and rehabilitation of 128 units serving the general population. This transaction is proposed to be Priority 3 with 127 of the units rent and income restricted at 60% of AMFI and one employee-occupied unit. The Department has not received any letters of support or opposition for this development.

Forestwood Apartments (18600)

This development is proposed to be located at 4540 Lasater Road in Balch Springs, Dallas County, and includes the new construction of 220 units serving the general population. This transaction is proposed to be Priority 3 with all of the units rent and income restricted at 60% of the Area Median Family Income ("AMFI"). The Department has received a letter of support from Texas Representative Cindy Burkett and no letters of opposition for this development have been received.

TEXAS HOUSE OF REPRESENTATIVES

Capitol Office
Room GN.10
P.O. Box 2910
Austin, Texas 78768-2910
(512) 463-0464
Fax (512) 463-9295

District Office
3200 Broadway, #240
Garland, Texas 75043
(972) 278-7276

CINDY BURKETT
DISTRICT 113

January 19, 2018

Ms. Marni Holloway, Director Multifamily Finance
c/o Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin TX 78711

RE: Forestwood
TDHCA Application No. – 18600
LDG FORESTWOOD, LP

Dear Ms. Holloway:

As State Representative of District 113 of Texas, I support the proposed community development referenced above.

The development as proposed would be located at 4540 Lasater Road in Balch Springs, Texas. I find that it will serve the community well by providing much needed affordable housing, and I look forward to seeing the development come to fruition.

If we can be of assistance to you in the future, please do not hesitate to contact us.

Sincerely,

Cindy Burkett

Cindy Burkett
State Representative
District 113

— COMMITTEES —

REDISTRICTING, CHAIR • LOCAL & CONSENT CALENDARS • PUBLIC HEALTH • TRANSPORTATION • SUNSET ADVISORY COMMISSION
HEALTH & HUMAN SERVICES TRANSITION LEGISLATIVE OVERSIGHT

RESOLUTION NO. 18-014

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

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

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

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

WHEREAS, the Owners have made not more than 60 days prior to the date hereof, payments with respect to the Developments and expect to make additional payments in the future and desire that they be reimbursed for such payments and other costs associated with the Developments from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owners have indicated their willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that the requirements of the Act and the Department will be satisfied and that the Developments will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

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

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

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

WHEREAS, the Governing Board of the Department (the "Board") has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to the Owners to finance the Developments on the terms and conditions hereinafter set forth; NOW, THEREFORE,

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

ARTICLE 1

OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

Section 1.1. Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the "Bonds") in one or more series and in amounts estimated to be sufficient to (a) fund a loan or loans to the Owners to provide financing for the respective Developments in an aggregate principal amount not to exceed those amounts, corresponding to the Developments, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and State law requirements regarding tenancy in the respective Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that the respective Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and State laws applicable to the issuance of such Bonds.

Section 1.2. Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 1.3. Reimbursement. The Department reasonably expects to reimburse the Owners for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction of its Development and listed on Exhibit A attached hereto ("Costs of the Developments") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation of its Development, including reimbursing the applicable Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of the Developments; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 1.4. Principal Amount. Based on representations of the Owners, the Department reasonably expects that the maximum principal amount of debt issued to reimburse the Owners for the Costs of the Developments will not exceed the amount set forth in Exhibit A which corresponds to the applicable Development.

Section 1.5. Limited Obligations. The Owners may commence with the acquisition and construction or rehabilitation of the Developments, which Developments will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement, on terms agreed to by the parties, on an installment payment basis with the Department under which the Department will make a loan to the applicable Owner for the purpose of reimbursing the Owner for the Costs of the Development and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for its Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 1.6. The Developments. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, which are to be occupied entirely by Eligible Tenants, as determined by the Department, and which are to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 1.7. Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owners for costs of its Development.

Section 1.8. Costs of Developments. The Costs of the Developments may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Developments. Without limiting the generality of the foregoing, the Costs of the Developments shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Developments, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Developments, the placing of the Developments in operation and that satisfy the Code and the Act. The Owners shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 1.9. No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature.

Neither the Owners nor any one claiming by, through or under the Owners shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 1.10. Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owners and the Department of contractual arrangements, on terms agreed to by the parties, providing assurance satisfactory to the Department that all requirements of the Act will be satisfied and that the Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Bracewell LLP or other nationally recognized bond counsel acceptable to the Department ("Bond Counsel"), substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 1.11. Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the Developments' necessary review and legal documentation for the filing of one or more Applications and the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner.

Section 1.12. Related Persons. The Department acknowledges that financing of all or any part of the Developments may be undertaken by any company or partnership that is a "related person" to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owners.

Section 1.13. Declaration of Official Intent. This Resolution constitutes the Department's official intent for expenditures on Costs of the Developments which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Developments may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 1.14. Execution and Delivery of Documents. The Authorized Representatives named in this Resolution are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.15. Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Deputy Executive Directors 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 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

CERTAIN FINDINGS AND DETERMINATIONS

Section 2.1. Certain Findings Regarding Developments and Owners. The Board finds that:

(a) the Developments are necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;

(b) the Owners will supply, in their Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;

(c) the Owners are financially responsible;

(d) the financing of the Developments is a public purpose and will provide a public benefit; and

(e) the Developments will be undertaken within the authority granted by the Act to the Department and the Owners.

Section 2.2. No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds. The Bonds will be a special limited obligation of the Department payable solely from amounts pledged for that purpose under the financing documents.

Section 2.3. Certain Findings with Respect to the Bonds. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Developments will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

ARTICLE 3

GENERAL PROVISIONS

Section 3.1. Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 3.2. Notice of Meeting. This Resolution was considered and adopted at a meeting of the 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 Board.

Section 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

[Execution page follows]

PASSED AND APPROVED this 22nd day of February, 2018.

[SEAL]

By:____
Chair, Governing Board

ATTEST:

____
Secretary to the Governing Board

EXHIBIT "A"

Description of the Owner and the Development

Project Name	Owner	Principals	Amount Not to Exceed
Santa Maria Village Apartments	THF Oaks on Lamar, LP, a Texas limited partnership	General Partner: THF Oaks on Lamar GP, LLC, a Texas limited liability company	$20,000,000
Costs: Acquisition/rehabilitation of a 176 unit affordable, multifamily housing development known as Santa Maria Village Apartments, located at 8071 N. Lamar Blvd., Austin, Texas 78753.			
Project Name	Owner	Principals	Amount Not to Exceed
Fairway Village Apartments	THF Riverside Townhomes, LP, a Texas limited partnership	General Partner: THF Riverside Townhomes GP, LLC, a Texas limited liability company	$20,000,000
Costs: Acquisition/rehabilitation of a 128 unit affordable, multifamily housing development known as Fairway Village Apartments, located at 6118 Fairway St., Austin, Texas 78741.			
Project Name	Owner	Principals	Amount Not to Exceed
Forestwood	LDG Forestwood, LP, a Texas limited partnership	General Partner/Member: LDG Forestwood GP, LLC, a Texas limited liability company	$20,000,000
Costs: Construction of a 220 unit affordable, multifamily housing development to be known as Forestwood, to be located at 4540 Lasater Rd., Balch Springs, Texas 75181.			

11

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action regarding an award of Direct Loan funds from the 2017-1 Multifamily Direct Loan Notice of Funding Availability

RECOMMENDED ACTION

WHEREAS, the Department has received a total of 44 applications for Multifamily Direct Loan funds under the 2017-1 Multifamily Direct Loan Notice of Funding Availability ("2017-1 NOFA" or "NOFA");

WHEREAS, Application 17511, which is requesting $1,492,200 in Direct Loan funds for AHA! at Briarcliff, is a Priority 3 application under the Supportive Housing/ Soft Repayment set-aside that has received complete reviews for compliance with program and underwriting requirements;

WHEREAS, the requested amount of Direct Loan funds was recommended by the Executive Award and Review Advisory Committee ("EARAC");

WHEREAS, this Application is requesting a waiver in accordance with 10 TAC §10.207(a)(2) for the 20 percent owner equity requirement found in 10 TAC §13.8(c)(5);

WHEREAS, the Board has previously approved similar waivers for similarly capitalized applications that were able to document a loan-to-value ratio of 80% or less through an as-completed appraisal as required by 10 TAC §13.8(c)(5);

WHEREAS, the Applicant has provided an as-completed appraisal that reflects a loan-to-value ratio of less than 80%;

WHEREAS, staff recommends approval of the requested waiver for this Application; and

WHEREAS, this application meets the requirements of 24 CFR Part 93 as required by the Third Amendment to the 2017-1 NOFA;

NOW, therefore, it is hereby

RESOLVED, that an award of $1,281,671 in TCAP Repayment Funds ("TCAP RF") and $210,529 in National Housing Trust Fund ("NHTF") – for a total award of $1,492,200 – from the NOFA for AHA! at Briarcliff is hereby approved in the form presented at this meeting; and

FURTHER RESOLVED, that all 11 Direct Loan units operate under the 30% rent and income definitions of the NHTF Program; and

FURTHER RESOLVED, that the Board's approval is conditioned upon satisfaction of all conditions of underwriting and the 811 Project Rental Assistance ("PRA") Program, and completion of any other reviews required to assure compliance with the applicable rules and requirements.

BACKGROUND

On December 15, 2016, the Board approved the 2017-1 Multifamily Direct Loan NOFA with $32,549,905 in funds with up to $4,000,000 in the Supportive Housing/ Soft Repayment Set-Aside, $4,723,589, in the CHDO Set-Aside, and $23,826,316 in the General Set-Aside. The NOFA has since been amended four times in the past several months to include $2,299,235 in additional TCAP Repayment Funds ("TCAP RF"), $7,000,000 in NSP1 Program Income, and a reduction of $9,086,316 in HOME funds, all of which occurred under the General Set-Aside, thereby increasing the General Set-Aside slightly to $24,039,235. Additionally, $4,310,528 in National Housing Trust Fund was added to the Supportive Housing/Soft Repayment set-aside. The overall NOFA amount consequently increased to $37,073,353.

Staff and EARAC are recommending the Board's approval of AHA! at Briarcliff application (17511) for TCAP RF totaling $1,281,671 and National Housing Trust Fund ("NHTF") totaling $210,529 under the Supportive Housing/ Soft Repayment Set-Aside, for a total award of $1,492,200. This Application qualifies under the Supportive Housing/ Soft Repayment set-aside by virtue of providing 30% AMI units. The $210,529 in NHTF will exhaust the funds remaining under the Program Year 2016 NHTF Grant Agreement.

AHA! at Briarcliff is proposing new construction of 27 units serving a General population in East Austin in Travis County. These 27 units will be constructed on approximately 0.83 acres of vacant land within a 2.5 acre tract of land owned by Austin Affordable Housing Corporation ("AAHC") (an affiliate of the Housing Authority of the City of Austin ("HACA")) that includes Leisure Time Village – an existing 22-unit multifamily development. Eleven of the 27 units will be NHTF-restricted units available to households earning up to 30% AMI with NHTF rents as defined in 24 CFR §93.302; the remaining 16 units will be available to households earning up to 50% AMI. Despite all elevent Direct Loan-assisted units being subject to NHTF rent and income restrictions, two of the eleven units NHTF-restricted units will be subject to a NHTF Land Use Restriction Agreement ("LURA") and the remaining eight units will be subject to a TCAP RF LURA. All 27 units will be restricted to 50% AMI and Low HOME Rent by the City of Austin's HOME Restrictive Covenant as a result of their $2,192,000 HOME investment. The Applicant – Accessible Housing Austin! – will lease the land from AAHC for a term of 99 years.

Since this development will serve a General population, it is subject to the Acceptable Debt Coverage Ratio ("DCR") Range in 10 TAC §10.302(d)(4)(D), which requires first year DCR to be between 1.15 and 1.35. In order to be in this range, staff and EARAC are recommending that $155,000 be amortized at 30 years with a 15 year term at 0% interest, which, together with the permanent loan from $695,000 from Texas State Affordable Housing Corporation, achieves a DCR below 1.35 in year one. The remaining $1,337,200 of the Direct Loan will be structured as a deferred forgivable loan with a 30 year term, financed with $1,126,671 in TCAP RF and $210,529 in NHTF.

The Applicant – Accessible Housing Austin! (AHA!) – is committing $372,507 in owner equity to this development, which equates to 7.1% of Total Development Costs, which is less than the 20% owner equity required in accordance with 10 TAC §13.8(c)(5). Despite not providing 20% owner equity, AHA! has provided an as-completed appraisal that reflects a loan-to-value ratio of approximately 20.5% as a result of the as-completed value of $7,925,000. Given the loan-to-value ratio that is well below the maximum 80%, staff recommends waiving the 20% owner equity requirement. The Applicant's waiver request is included behind this Board Action Request.

As required in 10 TAC §13.11(m) of the Multifamily Direct Loan Rule, the Department's Governing Board must establish a hard closing deadline at the time of award. As such, staff recommends that closing on the Direct Loan must occur no later than July 31, 2018, but in no event later than three months from the effective date of the Direct Loan Contract in accordance with 10 TAC §13.11(e). Moreover, as a result of 10 TAC §10.204(16), the applicant has committed the subject property – AHA! at Briarcliff – for inclusion in the Department's Section 811 Project Rental Assistance Program. The Department has approved it for participation in the Section 811 PRA Program and staff recommends that the 811 Owner Participation Agreement be signed before closing on the Direct Loan award.

This application has been underwritten and determined to meet the Real Estate Analysis rules and requirements and has received a previous participation review.

Should the recommended award be approved, $1,500,000 will remain available under the NOFA with one application requesting a total of $1,500,000 still under review. Subsequent award recommendations for applications undergoing staff reviews may appear on future Board agendas.

The Application and Award Recommendations Log is attached.

Organizational Structure and Previous Participation: The borrower is AHA! and includes entities and principals as indicated in the organization chart below. At the time of the Previous Participation Review, the applicant was a Small Category 3 portfolio. EARAC approved the compliance history with the following condition: Correction of uncorrected Noncompliance related to the Affirmative Marketing requirements in 10.617 event at Accessible Housing Austin (ID 5169-NSP 77090000101) by February 28, 2018.

Public Comment: There have been no letters of support or opposition received by the Department.

ORGANIZATIONAL CHART

Owner/Developer/Guarantor

Accessible Housing Austin!

501(c)3 non-profit organization

BOARD OF DIRECTORS

Stephanie Thomas, President

Jennifer McPhail, Vice President

Paul Hilgers, Secretary

Jean Langendorf, Treasurer

Dana Carpenter, Member

Becca Bruce Dobberfuhl, Member

Renee Lopez, Member
Melissa Orren, Executive Director

2017-1 Multifamily Direct Loan Program - Application Log - February 15, 2018

Per 2017-1 Multifamily Direct Loan Notice of Funding Availability published in the Texas Register on 12/30/2016 and First, Second, Third, and Fourth Amendments to NOFA

The following data was compiled using information submitted by each applicant. While this data has been reviewed or verified by the Department, errors may still be present. Those reviewing the log are advised to use caution in reaching any definitive conclusions based on this information alone. Where Applications are layered with 9% or 4% Tax credits, the Applications are also subject to evaluation under the Department criteria for those fund sources. Applicants are encouraged to review 10 TAC §§11.1(b) and 10.2(a) concerning Due Diligence and Applicant Responsibility, along with 10 TAC Subchapter C related to Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules for Applications. This log will be updated periodically as staff completes application reviews and as more applications are received. The Multifamily Direct Loan Program - Application Log is presented for informational use only, and does not represent a conclusion or judgment by TDHCA, its staff or Board. Applicants that identify an error in the log should contact Andrew Sinnott at andrew.sinnott@tdhca.state.tx.us as soon as possible. Identification of an error early does not guarantee that the error can be addressed administratively.

Applications sorted by date received within set-aside.

TCAP RF	$4,000,000
NHTF	$4,310,529
Total Set Aside Funding Level:	**$8,310,529**

Supportive Housing/ Soft Repayment (SH/SR)

TDHCA Application #	Property Name	Property City	Property County	Region	Housing Activity [1]	Multifamily Direct Loan Request/ Award	Target Population	Total Units	MF Direct Loan Units	Layering [2]	Date Received [3]	Comments
17501	Live Oak Trails	Austin	Travis	7	NC	$ 600,000	Supportive Housing	58	10	9%	1/9/2017	Recommended for TCAP RF award at 7/13/17 Board meeting
17502	Freedom's Path at Kerrville	Kerrville	Kerr	9	NC	$ 300,000	Supportive Housing	49	13	9%	1/9/2017	Recommended for TCAP RF award at 12/14/17 Board meeting
17423	Palladium Glenn Heights	Glenn Heights	Ellis	3	NC	$ 800,000	General	270	7	4%	4/20/2017	Recommended for TCAP RF award at 9/7/17 Board meeting
17500	Works at Pleasant Valley Phase II	Austin	Travis	7	NC	$ 1,500,000	Supportive Housing	29	12		7/13/2017	Recommended for NHTF award at 12/14/17 Board meeting
17028	The Vineyard on Lancaster	Fort Worth	Tarrant	3	NC	$ 1,100,000	Supportive Housing	104	11	9%	10/27/2017	Recommended for NHTF award at 1/18/18 Board meeting
17511	AHA! at Briarcliff	Austin	Travis	7	NC	$ 1,492,200	General	27	10		10/27/2017	Recommended for NHTF and TCAP RF award at 2/22/18 Board meeting
17445	The Nightingale at Goodnight Ranch	Austin	Travis	7	NC	$ 1,500,000	Elderly Preference	174	16	4%	10/27/2017	Recommended for NHTF award at 1/18/18 Board meeting
17512	Housing First Oak Springs	Austin	Travis	7	NC	$ -	Supportive Housing	50	50	4%	10/31/2017	Withdrawn
Total Amount Requested Under SH/SR Set Aside						**$ 7,292,200**	**Total Units**	**761**	**129**			
Total Amount Awarded Under SH/SR Set Aside (TCAP RF)						**$ 2,981,671**	**Total Units**	**377**	**30**			
Total Amount Awarded Under SH/SR Set Aside (NHTF)						**$ 4,310,529**	**Total Units**	**307**	**39**			
Total Amount Remaining Under SH/SR Set Aside (TCAP RF)						**$ 1,018,329**	**Funds transferred to 2018-1 Multifamily Direct Loan NOFA.**					
Total Amount Remaining Under SH/SR Set Aside (NHTF)						**$ -**						

CHDO (HOME funds only)

Total Set Aside Funding Level: **$4,723,589**

TDHCA#	Property Name	Property City	Property County	Region	Housing Activity [1]	Multifamily Direct Loan Request/ Award	Target Population	Total Units	MF Direct Loan Units	Layering [2]	Date Received [3]	Comments
17505	Merritt Monument	Midland	Midland	12	NC	$ -	General	104	34	9%	3/30/2017	Withdrawn
17504	Merritt Heritage	Georgetown	Williamson	7	NC	$ -	Elderly Limitation	244	34	9%	3/30/2017	Withdrawn
17509	Poesta Creek Apartments	Beeville	Bee	10	R	$ 2,000,000	General	50	50		3/31/2017	Recommended for award at 12/14/17 Board meeting
17738	Las Casitas De Azucar	Santa Rosa	Cameron	11	NC	$ -	General	50	27	9%	4/3/2017	Withdrawn
17165	Merritt Headwaters	Dripping Springs	Hays	7	NC	$ -	General	80	20	9%	4/3/2017	Terminated
17508	Casitas San Miguel	San Elizario	El Paso	13	NC	$ -	General	24	24		4/12/2017	Withdrawn
17510	Brook Haven Supportive Housing	Rockdale	Milam	8	NC	$ 1,500,000	Supportive Housing	30	30		7/7/2017	
17436	Boyce Lane Apartment Homes	Austin ETJ	Travis	7	NC	$ -	General	280	42	4%	10/25/2017	Withdrawn
Total Amount Requested Under CHDO Set Aside						**$ 3,500,000**	**Total Units**	**862**	**261**			
Total Amount Awarded Under CHDO Set Aside						**$ 2,000,000**	**Total Units**	**50**	**50**			
Total Amount Remaining Under CHDO Set Aside						**$ 2,723,589**	**$1,500,000 reserved for pending application. $1,223,589 reprogrammed.**					

HOME (available in non-PJs)	$6,240,000
NSP1 PI (available statewide)	$7,000,000
TCAP RF (available statewide)	$10,799,235

General

Total General Set Aside Funding Level: **$24,039,235**

TDHCA#	Property Name	Property City	Property County	Region	Housing Activity [1]	Multifamily Direct Loan Request/ Award	Target Population	Total Units	MF Direct Loan Units	Layering [2]	Date Received [3]	Comments
17503	The Reserve at Dry Creek	Hewitt	McLennan	8	NC	$ 1,450,000	Elderly Limitation	113	12	9%	1/9/2017	Recommended for HOME award at 5/25/17 Board meeting
17402	Harris Ridge Apartments	Austin	Travis	7	NC	$ 3,000,000	General	324	50	4%	1/9/2017	Recommended for TCAP RF award at 5/25/17 Board meeting
17403	Lord Road Apartments	San Antonio	Bexar	9	NC	$ -	General	324	50	4%	1/9/2017	Terminated
17404	Commons at Goodnight	Austin	Travis	7	NC	$ 3,000,000	General	304	23	4%	2/3/2017	Recommended for NSP1 PI award at 12/14/17 Board meeting
17405	Bridge at Cameron	Austin	Travis	7	NC	$ 2,590,000	General	263	22	4%	2/3/2017	Recommended for TCAP RF award at 10/12/17 Board meeting

17409	Bridge at Canyon View	Austin	Travis	7	NC	$	-	General	264	21	4%	3/7/2017	Withdrawn
17401	Primrose Village	Weslaco	Hidalgo	11	NC	$	1,100,000	General	242	21	4%	3/10/2017	Recommended for NSP1 PI award at 10/12/17 Board meeting
17507	Easterling Culeba Apartments	San Antonio	Bexar	9	NC	$	-	General	90	50	9%	3/23/2017	Withdrawn
17506	Tuscany Park at Arcola	Arcola	Fort Bend	6	NC	$	2,020,000	General	96	50	9%	3/24/2017	Recommended for TCAP RF award at 10/12/17 Board meeting
17107	The Residence at Wolfforth	Wolfforth	Lubbock	1	NC	$	500,000	Elderly Limitation	49	6	9%	4/3/2017	Returned HOME award after being recommended for award 7/27/17
17273	The Residence at Lamar	Wichita Falls	Wichita	2	ADR	$	950,000	Elderly Limitation	30	9	9%	4/3/2017	Recommended for 9% HTC without Direct Loan funds
17281	The Residence at Arbor Grove	Arlington	Tarrant	3	NC	$	1,250,000	Elderly Limitation	126	11	9%	4/3/2017	Recommended for 9% HTC without Direct Loan funds
17012	Secretariat Apartments	Arlington	Tarrant	3	NC	$	3,000,000	Elderly Limitation	74	50	9%	4/3/2017	Recommended for 9% HTC without Direct Loan funds
17076	Sphinx at Throckmorton Villas	McKinney	Collin	3	NC	$	-	General	124	21	9%	4/3/2017	Terminated
17372	Sunset Trails	Bullard	Cherokee	4	NC	$	740,000	Elderly Limitation	48	7	9%	4/3/2017	Not recommended for 9% HTC
17208	Waverly Village	New Waverly	Walker	6	R	$	300,000	General	50	5	9%	4/3/2017	Recommended for HOME award at 7/27/17 Board meeting
17007	Magnolia Station	Winnie	Chambers	6	NC	$	1,220,000	General	44	11	9%	4/3/2017	Not recommended for 9% HTC
17204	Vista Bella	Lago Vista	Travis	7	NC	$	1,935,000	General	72	40	9%	4/3/2017	Recommended for HOME award at 7/27/17 Board meeting
17179	The Nightingale at Goodnight Ranch	Austin	Travis	7	NC	$	-	Elderly Limitation	174	54	9%	4/3/2017	Withdrawn and resubmitted as 4%/ Direct Loan application (17445)
17205	Travis Flats	Austin	Travis	7	NC	$	3,000,000	General	146	53	9%	4/3/2017	Not recommended for 9% HTC
17290	Golden Trails	West	McLennan	8	NC	$	2,055,000	Elderly Limitation	45	17	9%	4/3/2017	Recommended for HOME award at 7/27/17 Board meeting
17013	Rio Lofts	San Antonio	Bexar	9	NC	$	3,000,000	General	81	50	9%	4/3/2017	Recommended for 9% HTC without Direct Loan funds
17026	10715 Bandera Apartments	San Antonio	Bexar	9	NC	$	-	General	84	50	9%	4/3/2017	Withdrawn
17042	Huntington at Paseo de la Resaca	Brownsville	Cameron	11	NC	$	2,500,000	Elderly Limitation	132	42	9%	4/3/2017	Recommended for 9% HTC without Direct Loan funds
17094	Catalon at Paseo de la Resaca	Brownsville	Cameron	11	NC	$	2,500,000	General	128	42	9%	4/3/2017	Recommended for 9% HTC without Direct Loan funds
17258	Village at Henderson	Corpus Christi	Nueces	10	NC	$	1,000,000	General	88	8	9%	4/3/2017	CHDO Set Aside requested
17069	Arlinda Gardens Supportive Housing	Bryan	Brazos	8	NC	$	-	Supportive Housing	100	30	9%	4/3/2017	Terminated
17416	Manchaca Commons	Austin	Travis	7	NC	$	-	General	240	20	4%	4/4/2017	Withdrawn
Total Amount Requested Under General Set Aside: Development Sites in non-PJs						$	8,200,000	**Total Units**	545	119			
Total Amount Requested Under General Set Aside: Development Sites in PJs						$	28,910,000	**Total Units**	3,310	706			
Total Amount Requested Under General Set Aside: TOTAL						**$**	**37,110,000**	**Total Units**	**3,855**	**825**			
Total Amount Awarded Under General Set Aside (HOME)						**$**	**5,740,000**	**Total Units**	**280**	**74**			
Total Amount Awarded Under General Set Aside (TCAP RF)						**$**	**7,610,000**	**Total Units**	**683**	**122**			
Total Amount Awarded Under General Set Aside (NSP1 PI)						**$**	**4,100,000**	**Total Units**	**242**	**21**			
Total Amount Remaining Under General Set Aside (HOME)						**$**	**500,000**	**Funds reprogrammed.**					
Total Amount Remaining Under General Set Aside (TCAP RF)						**$**	**3,189,235**	**Funds transferred to 2018-1 Multifamily Direct Loan NOFA.**					
Total Amount Remaining Under General Set Aside (NSP1 PI)						**$**	**2,900,000**	**Funds transferred to 2018-1 Multifamily Direct Loan NOFA.**					

1 = Housing Activity: New Construction=NC, Rehabilitation=R, ADR = Adaptive Reuse

2= Layering of Other Department Funds: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program

3 = Date Received: The date that the application, all required 3rd Party Reports, Application Fees (if applicable), and Certificate of Reservation (if applicable) were received.

17511 AHA! At Briarcliff - Application Summary

REAL ESTATE ANALYSIS DIVISION
January 0, 1900

PROPERTY IDENTIFICATION

Application #	17511
Development	AHA! At Briarcliff
City / County	Austin / Travis
Region/Area	7 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended			
LIHTC (4% Credit)	$0				
	Amount	Rate	Amort	Term	Lien
Multifamily Direct Loan (Repayable)	$155,000	0.00%	30	15	0
Multifamily Direct Loan (Deferred Forgivable)	$1,337,200				

KEY PRINCIPAL / SPONSOR

Accessibility Housing Austin!
Melissa Orren - Executive Director

Related-Parties	Contractor - No	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

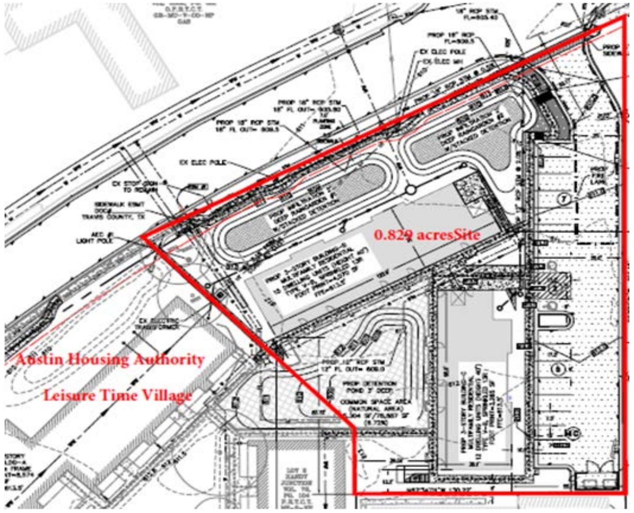
UNIT DISTRIBUTION / INCOME DISTRIBUTION

# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	11	41%
1	15	56%	40%	-	0%
2	12	44%	50%	16	59%
3	-	0%	60%	-	0%
4	-	0%	MR	-	
TOTAL	27	100%	TOTAL	27	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.35	Expense Ratio	64.9%
Breakeven Occ.	84.2%	Breakeven Rent	$583
Average Rent	$641	B/E Rent Margin	$59
Property Taxes	Exempt	Exemption/PILOT	0%
Total Expense	$4,684/unit	Controllable	$3,598/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)	3.1%		
Highest Unit Capture Rate	13%	2 BR/50%	8
Dominant Unit Cap. Rate	12%	1 BR/50%	8
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten	Applicant's Costs		
Avg. Unit Size	755 SF	Density	32.9/acre
Acquisition		$00K/unit	$2K
Building Cost	$166.17/SF	$126K/unit	$3,389K
Hard Cost		$151K/unit	$4,080K
Total Cost		$195K/unit	$5,261K
Developer Fee	$232K	(0% Deferred)	Paid Year: 1
Contractor Fee	$571K	30% Boost	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
TSAHC Permanent Loan	15/30	5.15%	$695,000	1.50
TDHCA	15/30	0.00%	$155,000	1.35
TOTAL DEBT (Must Pay)			$850,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
City of Austin	0/0	0.00%	$57,260	1.35
Federal Home Loan Dallas	0/0	0.00%	$189,000	1.35
Austin Housing Finance Corporation	0/0	0.00%	$2,192,000	1.35
AHA!	0/0	0.00%	$635,718	1.35
TDHCA - forgivable	0/0	0.00%	$1,337,200	1.35
CASH FLOW DEBT / GRANTS			$4,411,178	

EQUITY / DEFERRED FEES	
Source	Amount
TOTAL EQUITY SOURCES	($0)
TOTAL DEBT SOURCES	$5,261,178
TOTAL CAPITALIZATION	$5,261,178

CONDITIONS

1 Receipt and acceptance before Direct Loan Closing

a: Substantially final construction contract with Schedule of Values.

b: Updated term sheets with substantially final terms from all lenders

c: Substantially final draft of limited partnership agreement.

d: Senior loan documents (and/or partnership documents) must contain a provision(s) that any stabilization resizing on the senior debt includes the debt service on the TDHCA MDL at a 1.15

e: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.

f. Pursuant to §10.402(d)(7), a letter from Applicant's Attorney, "...identifying the statutory basis for the exemption and indicating that the exemption is reasonably achievable, subject to appraisal district review.

g. Approval from City of Austin of Unified Development Plan for 2.51 acres owned by Austin Affordable Housing Corporation.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

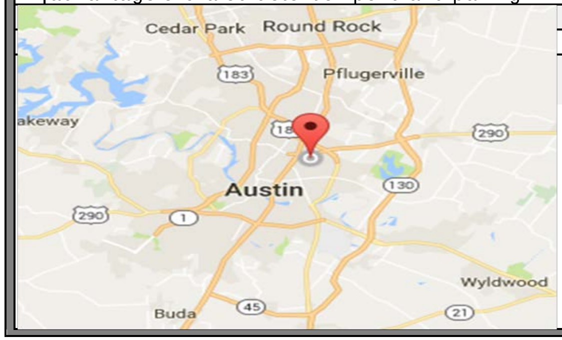
RISK PROFILE

STRENGTHS/MITIGATING FACTORS

- Development is designed to accommodate those with disabilities.
- Development has multiple grants providing funding.
- Site owned by Austin Affordable Housing Corp.

WEAKNESSES/RISKS

- Small project size does not have the efficiencies of expenses like a larger project.
- Need to obtain a Unified Development Plan to take advantage of shared detention pond and parking.



AERIAL PHOTOGRAPH(s)

MF Received 12/27/17 3:02pm - AS

WAIVER REQUEST

December 21, 2017

Andrew Sinnott
Texas Department of Housing and Community Affairs
211 E 11th Street
Austin, Texas 78701

Re: #17511 AHA! at Briarcliff – Waiver Request

Dear Mr. Sinnott,

Accessible Housing Austin! (AHA!) is requesting a waiver of 10 TAC 13(c)(5). This is the requirement that the owner provide 20% equity as it relates to total development costs. We are proposing that the 20% equity (non-debt) threshold be met through other means.

Our total project budget is $5,261,189; the required 20% owner equity is therefore $1,052,238. Our proposal and waiver request is that we meet this requirement by using the following non-repayable debt resources to adequately ensure that sufficient equity exists to satisfy the intend of this requirement:

$635,729 - Owners Cash Contribution from funds that will be available at commitment – 53% of the required equity
$189,000 – 0% interest, deferred forgivable "loan" from the Federal Home Loan Bank
$ 57,260 – Grants from the Austin Housing Finance Corporation – no repayment requirement.

This total is $881,989 which is 84% of the required Owner Equity.

The Austin Housing Finance Corporation is providing at 0% interest, deferred-forgivable loan in the amount of $2,192,000 and the development with finance a loan from the Texas State Affordable Housing Corporation for $695,000. These sources will create addition equity in the project over time as operations continue, forgivable amounts are recognized and loan repayments are made.

With the project total of $5,261,189 and our request of $1,492,200 from the 2017 MFDL Soft Repayment program, TDHCA will have 28% share in the development funding.

We sincerely appreciate your consideration of this waiver request. Please contact me or Mitch Weynand (mitchweynand@yahoo.com, 512-496-7135) if you have any questions or need any additional information.

Sincerely,

Melissa Orren
Executive Director

1m

BOARD ACTION REQUEST

HOUSING RESOURCE CENTER

FEBRUARY 22, 2018

Presentation, Discussion, and Possible Action on adoption of the 2018 State of Texas Low Income Housing Plan and Annual Report, and an order adopting the repeal and new 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 in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs ("TDHCA" or the "Department") enabling statute, Tex. Gov't Code §2306.0721 requires that the Department produce a state low income housing plan;

WHEREAS, Tex. Gov't Code §2306.0722 requires that the Department produce an annual low income housing report;

WHEREAS, Tex. Gov't Code §2306.0723 requires that the Department consider the annual low income housing report to be a rule;

WHEREAS, at the Board meeting of December 14, 2017, the Board approved the repeal and proposed new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures §1.23 concerning State of Texas Low Income Housing Plan and Annual Report, and directed their publication for public comment in the *Texas Register*; and

WHEREAS, public comment was received from one entity, for which the reasoned response is provided herein, and no changes to the State of Texas Low Income Housing Plan and Annual Report were made in response to such comment;

NOW, therefore, it is hereby

RESOLVED, that the repeal and new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures §1.23 concerning State of Texas Low Income Housing Plan and Annual Report are hereby adopted in the form presented at this meeting; and

FURTHER RESOLVED, that the 2018 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, is approved and adopted.

BACKGROUND

The Texas Department of Housing and Community Affairs ("TDHCA" or the "Department") is required by Tex. Gov't Code to prepare and submit to the Board not later than March 18 of each year an annual plan and 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, 2016, through August 31, 2017).

Tex. Gov't 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.

At the Board meeting of December 14, 2017, the Board approved the release of a draft 2018 SLIHP for public comment. The public comment period for the SLIHP was held from Monday, December 18, 2017, through Wednesday, January 31, 2018. A public hearing was held on Tuesday, January 30, 2018, in Austin. The Department received comment on the draft 2018 SLIHP from one source during the public comment period: Alamo Area Council of Governments ("AACOG"). No changes were made to the 2018 SLIHP in response to public comment from AACOG. The Department also received joint comments from Texas Appleseed and Texas Network of Youth Services ("TNOYS") which were submitted after the public comment period had closed. Though these joint comments which focused on youth who age out of foster care, unaccompanied youth and homeless young adults could not be accepted as the deadline for receiving comments had passed, the Department is grateful the opportunity was taken to respond to sections of the report and plan which focus on drivers of youth homelessness. To the extent possible, the Department will look into addressing and incorporating Texas Appleseed and TNOYS suggested comments in next year's 2019 SLIHP.

Summary of changes made to the 2018 SLIHP following the public comment period:

1. Clerical, non-technical corrections.
2. Revised Public Participation chapter to reflect public comment period and reasoned responses to public comment.
3. Fixed issue in Housing Analysis chapter where total housing units were presented as opposed to households.
4. Updated Housing Analysis chapter with 2017 Point in Time ("PIT") Count and Annual Homeless Assessment Report ("AHAR") data. This data was not yet available at the time the Draft SLIHP was released for public comment. Updated the bibliography entries for the PIT and AHAR in Appendix E.
5. Updated the name of the Housing Trust Fund ("HTF") Contract for Deed Conversion Assistance Grants Program in the Annual Housing Report and Action Plan chapters following program area recommendations.
6. Added Amy Young Barrier Removal Program to the "Statement of Activities" section of the Annual Housing Report chapter as it had been accidentally excluded in the Draft.
7. Added a footnote to certain tables in the Annual Housing Report chapter to clarify layered funding in regards to TDHCA Multifamily New Construction and Rehabilitation activities.

8. Removed mention of HTF Contract for Deed Conversion Assistance Grants Program from the TDHCA Allocation Plans section of the Action Plan chapter as there will not be any activities for this program in FY 2018 and the section in question is looking ahead at FY 2018.
9. Updated the Subrecipient Tables and Maps for Community Affairs Programs and Homelessness Programs in Appendix C to simplify and increase visibility for black and white printed versions of the SLIHP.
10. Added "Affirmatively Furthering Fair Housing" to the list of acronyms in Appendix F.

The full text of the 2018 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 2018 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976.

Also at the Board meeting of December 14, 2017, the Board approved proposed repeal and proposed new 10 TAC §1.23, concerning State of Texas Low Income Housing Plan and Annual Report, and directed their publication in the *Texas Register* for public comment. The public comment period for the proposed rule amendment was open from Friday, December 29, 2017, through Friday, January 18, 2018. No public comment was received concerning the proposed repeal and proposed new rule.

The following attachments are provided:

Attachment A – Adopted repeal and new 10 TAC §1.23 with a summary of comments and response to comments made on the 2018 SLIHP.

Attachment B – 2018 SLIHP, as presented to the Board on February 22, 2018.

Attachment A. Adopted repeal and new 10 TAC §1.23
The Texas Department of Housing and Community Affairs (the "Department") adopts repeal and new 10 TAC Chapter 1, §1.23, concerning the State of Texas Low Income Housing Plan and Annual Report (SLIHP). The purpose of the repealed and new section is to adopt by reference the 2018 SLIHP. The purpose of the SLIHP is to serve as a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. The document reviews the Department's programs, current and future policies, and resource allocation plan to meet state housing needs, and reports on State Fiscal Year 2017 performance. The Department is required to submit the SLIHP annually to its Governing Board in accordance with Tex. Gov't Code §2306.072.

REASONED JUSTIFICATION. The Department finds that Tex. Gov't Code §2306.0723 specifically authorizes the Department to consider the SLIHP as a rule. Accordingly, the repealed rule and new rule adopts by reference the 2018 SLIHP. The purpose of the rule and referenced 2018 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 2017 performance.

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS. The public comment period for the rule change was held between December 29, 2017, and January 18, 2018. The public comment period for the 2018 SLIHP was held between December 18, 2017 and January 31, 2018. A public hearing for the 2018 SLIHP was held on January 31, 2017, in Austin, TX. Written comments were accepted by mail, email, and facsimile.

Although no comments were received concerning the proposed rule amendment, the Department received one comment on the 2018 SLIHP from one source: Alamo Area Council of Governments ("AACOG").

Comment 1: The Department received one comment from one source: Alamo Area Council of Governments ("AACOG").

Comment 1: AACOG commented that the 2018 State of Texas Low Income Housing Plan and Annual Report should make reference to the definition of "supportive service-enriched communities" which was an agenda item for the January 31, 2018, Housing and Health Services Coordination Council Quarterly Meeting.

> Department Response: The Housing and Health Services Coordination Council ("HHSCC" or "the Council") is codified in Tex. Gov't Code §2306.1091 and is coordinated through TDHCA (http://www.tdhca.state.tx.us/hhscc/index.htm). The purpose of the Council is to increase state efforts to offer service-enriched housing through increased coordination of housing and health services. The Council 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. Listed on the January 31, 2018, HHSCC Quarterly meeting agenda was a Discussion of the definition of Service-Enriched Housing (10 TAC, Chapter 1, Subchapter A, §1.11). Any continued definition discussion and rule review by HHSCC will not affect the SLIHP, but will be considered during

formal review of that rule found at 10 TAC, Chapter 1, Subchapter A, §1.11. Notification of open public comment periods is made through the *Texas Register*, which can be found at: https://www.sos.state.tx.us/texreg/about.shtml. No changes have been made to the 2018 SLIHP in response to this comment.

The TDHCA Governing Board approved the 2018 SLIHP and the final order adopting the repealed rule and new rule on February 22, 2018.

STATUTORY AUTHORITY. The repealed and new rule are adopted pursuant to the authority of Tex. Gov't Code §2306.053 which authorizes the Department to adopt rules and pursuant to Tex. Gov't Code §2306.0723 which specifically authorizes the Department to consider the SLIHP as a rule.

The adopted repeal affects no other code, article, or statute.

§1.23. State of Texas Low Income Housing Plan and Annual Report (SLIHP).

The new rule affects no other code, article or statute.

§1.23. State of Texas Low Income Housing Plan and Annual Report (SLIHP).
The Texas Department of Housing and Community Affairs ("TDHCA" or the "Department") adopts by reference the 2018 State of Texas Low Income Housing Plan and Annual Report ("SLIHP"). The full text of the 2018 SLIHP may be viewed at the Department's website: www.tdhca.state.tx.us. The public may also receive a copy of the 2018 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3800.

Attachment B – 2018 SLIHP, as presented to the Board on February 22, 2018.

2018

State of Texas Low Income Housing Plan and Annual Report

Texas Department of Housing and Community Affairs

Prepared by the Housing Resource Center
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www.tdhca.state.tx.us

The Section 811 Project Rental Assistance ("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 Texas Health and Human Services Commission ("HHSC") and eligible multifamily properties. PRA 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. Learn more at: http://www.tdhca.state.tx.us/section-811-pra/index.htm

Contents

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 range of housing assistance programs for low- to moderate-income Texans with services ranging from homelessness prevention to homeownership.

This section is organized as follows:

- Institutional Structure
- Agency Mission and Charge
- Administrative Structure
- 2018 State of Texas Low Income Housing Plan and Annual Report (the "Plan") Overview

INSTITUTIONAL STRUCTURE

In 1991, the 72nd Texas Legislature created the Department. The Department's enabling statute Tex. Gov't 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"). LIHEAP remains at the Department, but ENTERP was discontinued in 2006. Effective September 1, 1995, in accordance with House Bill 785 from the 74th Texas Legislature, regulation of manufactured housing was transferred to the Department. In accordance with House Bill 7 from the 77th Texas Legislature, 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% 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 from the 77th Texas Legislature, 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 Area Median Family Income ("AMFI"), Area Median Income ("AMI"), or the federal poverty level. A major function of TDHCA is to act as a conduit for federal resources and 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. With a few limited exceptions, TDHCA does not assist individuals or households directly. As a rule, TDHCA does not engage directly in the development of affordable housing. Rather it awards funds and other assistance to others to administer in accordance with applicable state and federal laws, rules, and regulations and with contractual terms.

More specific policy directives are provided in Tex. Gov't 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. In addition, TDHCA administers two federal low income housing tax credit programs; a competitive 9% credit program and a 4% program paired with private activity bonds. TDHCA utilizes private sector financing mechanisms and converts a portion of its tax exempt bond cap to mortgage credit certificates to provide financing for homeownership. With these resources, TDHCA strives to promote sound housing policies; promote leveraging of state and local resources; and ensure the stability and continuity of services through a fair, nondiscriminatory and open process. TDHCA ensures that those programs that it administers that are subject to the requirement to affirmatively further fair housing are in compliance with applicable regulations. 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 oversight, which are intended to work either in cooperation with or as complements to the funding and services provided by other organizations.

ADMINISTRATIVE STRUCTURE

Department programs are grouped into the following divisions:

- The Community Affairs Division administers the Community Services Block Grant Program ("CSBG"), the Comprehensive Energy Assistance Program ("CEAP"), the Housing Choice Voucher Program ("Section 8"), and the Weatherization Assistance Program ("WAP").
- The HOME and Homeless Programs Division administers the Contract for Deed Program ("CFD"), Single Family Development Program ("SFD"), Tenant-Based Rental Assistance Program ("TBRA"), Homebuyer Assistance Program ("HBA"), and the Homeowner Rehabilitation Assistance Program ("HRA") funded through HUD's HOME Program. Homelessness programs administered by this division are the Emergency Solutions Grants Program ("ESG"), the Homeless Housing and Services Program ("HHSP"), and the Ending Homelessness Fund.
- The Multifamily Finance Division administers the Housing Tax Credit Program ("HTC"), the Multifamily Bond Program ("MF Bond"), and the Multifamily Direct Loan Program ("MF Direct Loan").
- The Section 811 Project Rental Assistance Program ("Section 811 PRA").
- The Single Family Operations and Services Division ("SFOS") administers the Texas Housing Trust Fund ("HTF"), the Office of Colonia Initiatives ("OCI") Programs, and the Neighborhood Stabilization Program. HTF offers the Amy Young Barrier Removal Program ("AYBR"). OCI offers the Colonia Self-Help Center Program ("SHC") and the Texas Bootstrap Loan

Program. In addition to administering these single-family programs, SFOS also performs administrative functions for other areas such as single-family and multifamily loan servicing, and single-family loan closing and 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 division through the 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 Texas Homeownership Division offers the My First Texas Home Program, Texas Mortgage Credit Certificate Program ("TX MCC"), and the Texas Statewide Homebuyer Education Program ("TSHEP").
- The Manufactured Housing Division is administratively attached to TDHCA, although it operates independently with its own executive director and governing board.

It should be noted that, with the exception of Section 8 and Section 811 PRA, TDHCA administers its programs and services through a network of local governments, organization administrators, property owners, or developers across Texas and does not provide assistance directly to individuals. Detailed descriptions of these programs including eligibility information are available in the Action Plan section of this document (Section 4).

Additionally, several Divisions within TDHCA are involved in the administration of the Department as a whole but do not administer specific programs:

- The Asset Management Division oversees the ongoing economic viability of multifamily 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 monitors to ensure 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 Division of Policy and Public Affairs disseminates Department information to the public and serves as the Department's liaison with industry stakeholders, advocacy groups, and the executive and legislative branches of state and federal government.
- The Fair Housing, Data Management, and Reporting Division is responsible for the development and oversight of cross-cutting agency projects and initiatives and the compilation of Department reports, performance measures 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 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. Staff is preparing to comply with HUD's final Affirmatively Furthering Fair Housing rule (released in August 2015) and the new Assessment of Fair Housing process.

- The Housing Resource Center is required 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.

2018 STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT OVERVIEW

The 2018 State of Texas Low Income Housing Plan and Annual Report ("SLIHP", the "Plan") is prepared annually in accordance with Tex. Gov't 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 ("TAC") §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 and appendices:

- 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 Housing Report - A comprehensive statement of activities for state fiscal year 2017, 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 2018-2019 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 residents of colonias;
- Section 7: Texas State Affordable Housing Corporation ("TSAHC") Plan - This section outlines TSAHC's plans and programs for 2018 and is included in accordance with Tex. Gov't Code §2306.0721(g);
- Appendix A: TDHCA's enabling statute and Tex. Gov't Code Chapter 2306;
- Appendix B: Housing Analysis Regional Tables;
- Appendix C: Subrecipient Tables for Community Affairs Programs and Homelessness Programs;
- Appendix D: TDHCA Goals and Objectives;
- Appendix E: Bibliography; and
- Appendix F: 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 Tex. Gov't 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 Tex. Gov't 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 Tex. Gov't 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 Tex. Gov't 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 thirteen uniform service regions.

This section of the SLIHP includes the following information per Tex. Gov't Code §2306.0721:

- An estimate and analysis of the size and the different housing needs of special populations in each uniform service region as required by Tex. Gov't Code §2306.0721(c)(1)(A-G).
- 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 as required by Tex. Gov't Code §2306.0721(c)(3).
- An estimate and analysis of the housing supply in each uniform state service region as required by Tex. Gov't Code §2306.0721(c)(9).
- Information Regarding foreclosures of residential property in this state, including the number and geographic location of those foreclosures as required by Tex. Gov't Code §2306.0721(c)(13-a).

This section is organized as follows:

- Data Sources and Limitations
- State of Texas
    - Demographic Characteristics
    - TDHCA Service Regions and Regional Demographics
- Special Needs Populations
- Poverty and Income
- Affordable Housing Need
- Housing Availability and Affordability
- Local Assessment of Need

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 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 might be used, but the Department lacks the resources to obtain such data through third parties or to compile it directly. Therefore, the issues detailed in this section 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 and appropriate, rural data is considered separately from urban data.

Reliable data available on the condition of the housing stock, the persons experiencing homelessness, and the housing needs of special needs populations have limitations.

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% of AMFI (extremely low income), 31-50% of AMFI (very low income), 51-80% of AMFI (low income), 81-100% of AMFI (moderate income) and above 100% 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% 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 Tex. Gov't 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 urban places to request designation as rural as described in 10 TAC §10.204(5), Required Documentation for Application Submission.

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 Tex. Gov't Code §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 Tex. Gov't 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 a population of 25,000 or greater). 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 rural or urban counties of a given region are collectively referred to as "subregions."

The needs assessment data is augmented with local information, when available. Please note that subregional data is included in Appendix B: Housing Analysis Regional Tables.

STATE OF TEXAS

The state-level housing analysis includes information on demographics, special-needs populations and affordable-housing need indicators. 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 Bureau's ACS 5-Year Estimates from 2011-2015, it is possible to analyze population trends compared to the nation as a whole and its implication for housing need.

- Texas has approximately 26,538,614 people, which is about 8.4% of the US population.
- Texas mirrors the US closely in terms of percentages of races in the population. Texas has 74.9% of its population as White Alone, while the US has 73.6%, a difference of only 1.3%. The difference in percentage population between Texas and the US ranges from 0.9% to 0.09% 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. Texas' population is 6.0% Some Other Race Alone compared to the US' 4.7%.
- Ethnically, Texas diverges from national trends. The percentage of Hispanics is 21.3% higher in Texas as compared to the US population. Texas has 38.4% of its population who identify as Hispanic, while the US has 17.1%.
- Texas has a greater percentage of children under 18 than the US as a whole. Texas has 26.6% of its population as persons under 18 years old, compared to 23.3% for the nation. The median age of the Texas population is 34.1 years, while the median age of the national population is 37.6 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 2011-2015 ACS Estimates, the number of people in poverty varied dramatically by race and ethnicity. In Texas, White (non-Hispanic) had a poverty rate of 9.0%; Blacks or African Americans had a poverty rate of 22.5%; the Hispanic population had a poverty rate of 24.8%; and Asians had a poverty rate of 11.4%. Lower incomes often lead to greater housing challenges.

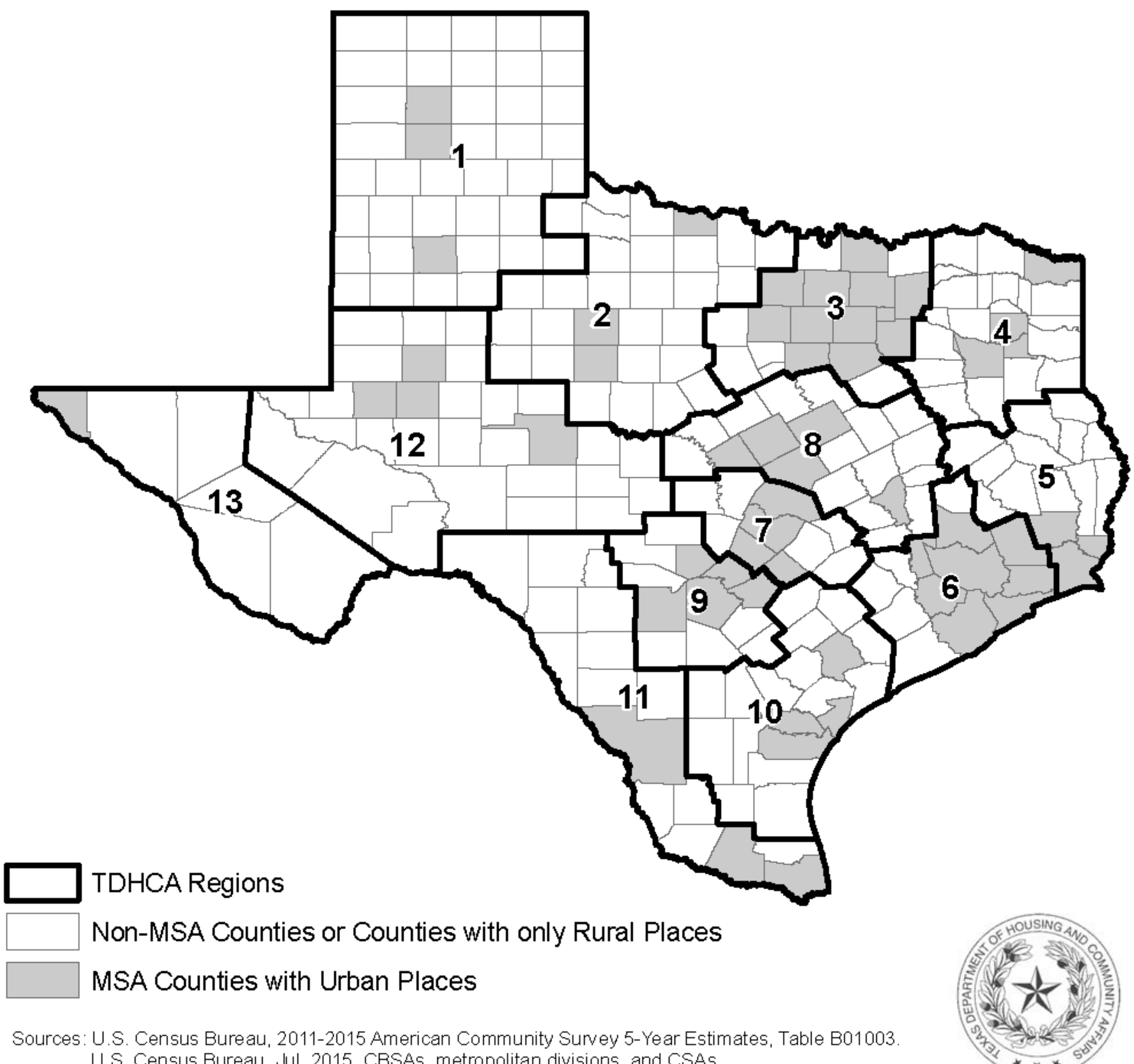
Urban and Rural Population, Texas

State	Rural	Urban	Total
Total	3,497,852	23,043,762	26,538,614

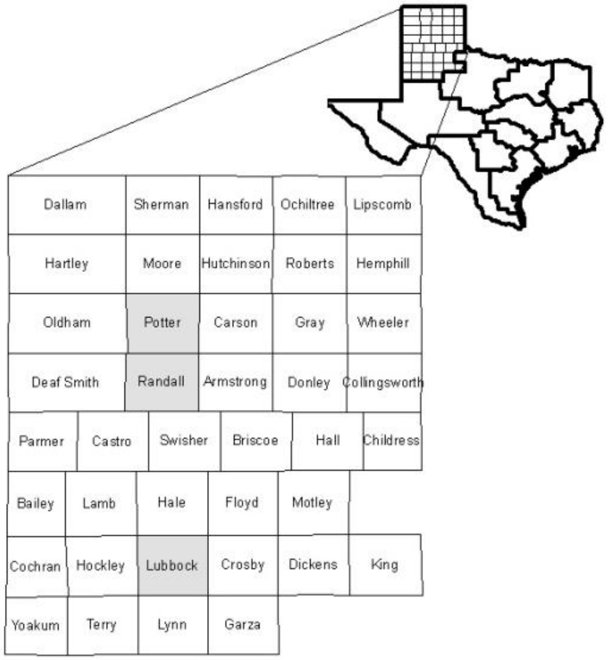
Source: MSA defined by OMB, 2013. Population from 2011-2015 American Community Survey, Table DP05.

TDHCA SERVICE REGIONS & REGIONAL DEMOGRAPHICS

Map of TDHCA State Service Regions



Sources: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates, Table B01003.
U.S. Census Bureau, Jul. 2015, CBSAs, metropolitan divisions, and CSAs.
TIGER data 2015.
Disclaimer: This map is not a survey product; boundaries, distances, and scale are approximate only.



Region 1

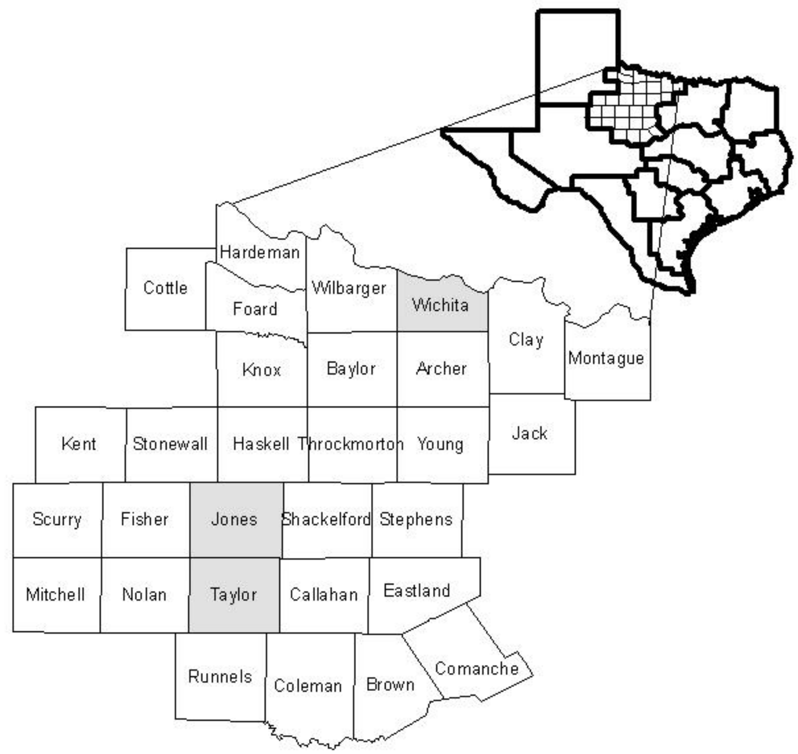
This 41-county region in the northwest corner of Texas encompasses over 39,500 square miles of the Panhandle. Region 1 has approximately 3.2% of Texas' population. Approximately 62.9% of the Region 1 residents live in the urban areas, including Amarillo and Lubbock. In the map of Region 1, the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36).

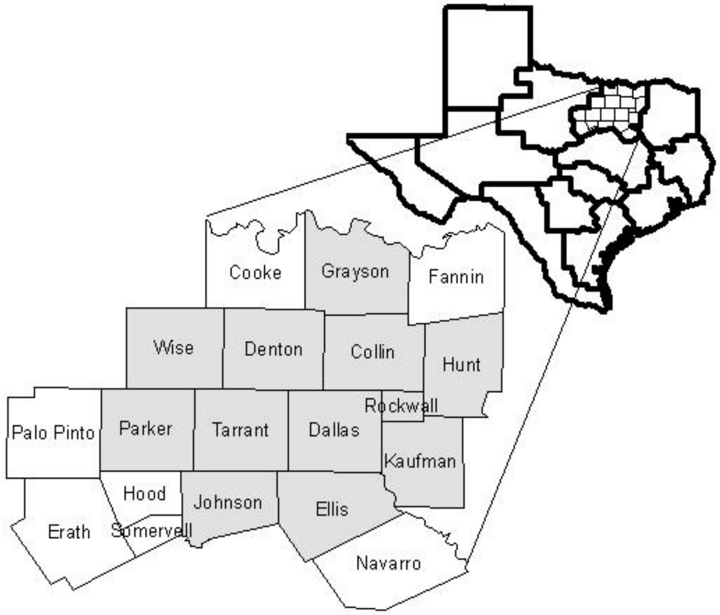
- Highest percentage population identifying as American Indian or Alaskan Native among all regions, 0.7%
- Second highest percentage population identifying as Two or More Races among all regions, 3.1%
- Region 1 has housing unit ownership rates very close to the State of Texas—63.6% of all households own their housing unit in Region 1 compared to 62.2% for the State.

Region 2

Region 2 surrounds the metropolitan areas of Wichita Falls and Abilene. Region 2 has 2.1% of the State's population. Approximately 52.1% of Region 2 residents live in urban areas. In the map of Region 2, the shaded counties have urban places.

- Highest percentage population identifying as White Non-Hispanic among all regions, 69.3%.
- 23.1% of Region 2's population is under 18 years old, the lowest percentage among all regions.
- The majority of owner households in Region 2 (53.7%) reside in rural counties, one of only two regions with this split.
- Region 2 has higher rates of homeownership than the State of Texas—67.8% compared to 62.2%.





Region 3

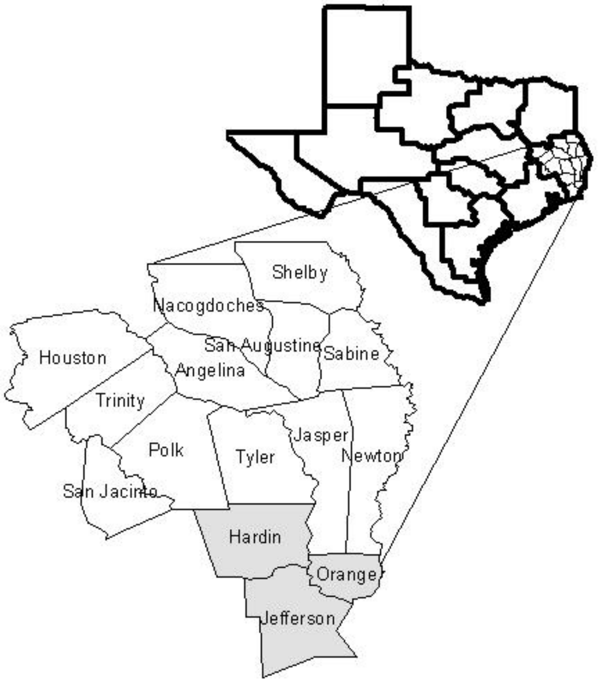
Region 3, which encompasses the metropolitan areas of Dallas, Fort Worth, Arlington, Sherman and Denison, has 26.9% of the State's population, or 7,144,787 individuals. It is the most populous region in Texas. Approximately 96.5% of Region 3 residents reside in urban areas. In the map of Region 3, the shaded counties have urban places.

- Region 3 is one of only two regions with an Asian population representing more than 5% of the regional population. 5.7% of Region 3 identifies as Asian, second only to Region 6.
- Region 3 has the most people identifying as Native Hawaiian and Other Pacific Islander of all regions, 7,578 individuals (35.0% of the state total), and the most people identifying as White Not Hispanic, 3,567,358 individuals (30.7% of the state total).
- Region 3 has a lower percentage of owner households than the State of Texas. 60.5% of households are owners in Region 3 compared to the State's 62.2%.

Region 4

Region 4, located in the northeast corner of the state, surrounds the urban areas of Texarkana, Longview-Marshall and Tyler. It has 4.2% of the State's population. Region 4 is the only region that is mainly rural; 57.8% of the population (individuals) lives in rural areas. In the map of Region 4, the shaded counties have urban places.

- Region 4 has the third lowest percentage of persons under the age of 18 (24.0%).
- Region 4 is one of only two regions with a Hispanic population less than 20% of the total regional population. 14.3% of Region 4's population identifies as Hispanic, second lowest only to Region 5.
- 67.6% of Region 4's population identifies as White Not Hispanic, the second highest percentage among all regions.
- Region 4 has the highest rate of homeownership among all regions. 70.0% of all households in Region 4 are homeowners, compared to 62.2% for all of Texas. The majority of owner households (60.4%) reside in rural counties.



Region 5

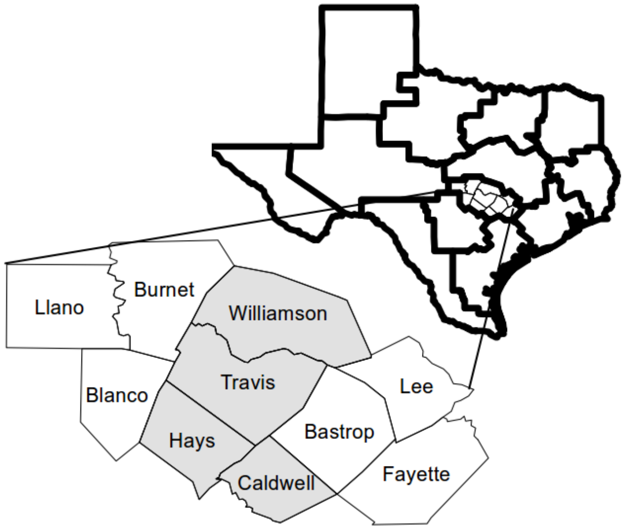
Region 5 encompasses a 15-county area in east Texas including the urban areas of Beaumont and Port Arthur. This region has 2.9% of the State's population. Approximately 50.7% of Region 5 residents live in urban areas. In the map of Region 5, the shaded counties have urban places.

- 20.0% of Region 5's population identifies as Black or African American, the highest percentage among all regions.
- 14.2% of Region 5's population identifies as Hispanic or Latino, the lowest percentage among all regions. Region 5 also has the lowest percentage of residents identifying as Some Other Race, 2.1%.
- Region 5 has the second lowest percentage of persons under the age of 18 (23.7%).
- Region 5 has the second highest rate of homeownership among all regions. 69.9% of all households are owners.

Region 6

Region 6 includes the urban area of Houston, Brazoria and Galveston. This region has 24.5% of the State's population, second only to Region 3. Region 6 is mainly urban with 97.0% of the population located in urban areas, the second highest percentage among all regions behind Region 13. In the map of Region 6, the shaded counties have urban places.

- 17.1% of Region 6's population identifies as Black or African American, the second highest percentage among all regions.
- 7.0% of Region 6's population identifies as Asian, the highest percentage among all regions.
- Region 6's rate of homeownership is only slightly lower than the State's percentage—60.7% of households in Region 6 are owners, compared to Texas' 62.2%



Region 7

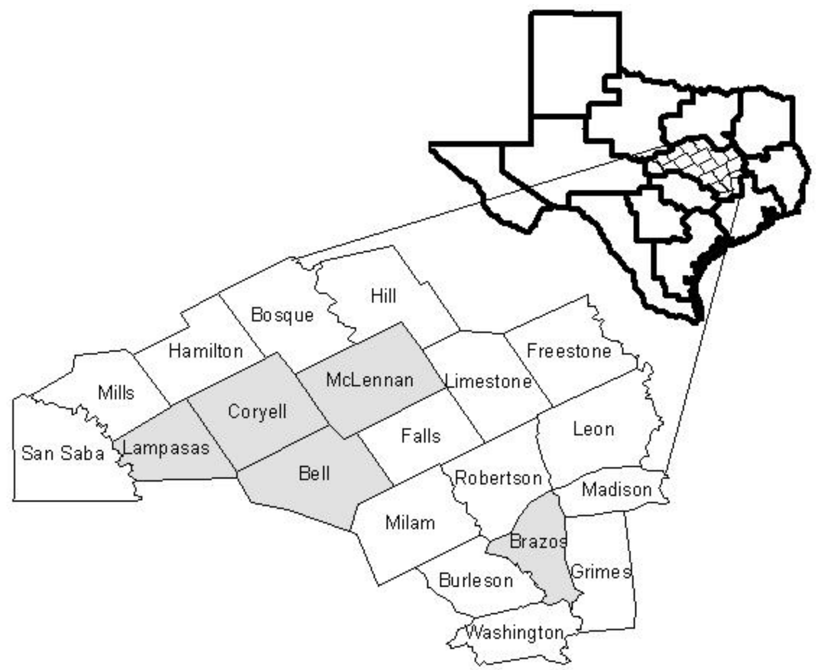
The urban area of Austin is at the center of Region 7. This region has 7.6% of the State's population. Approximately 90.4% of Region 7 residents live in urban areas. In the map of Region 7, the shaded counties have urban places.

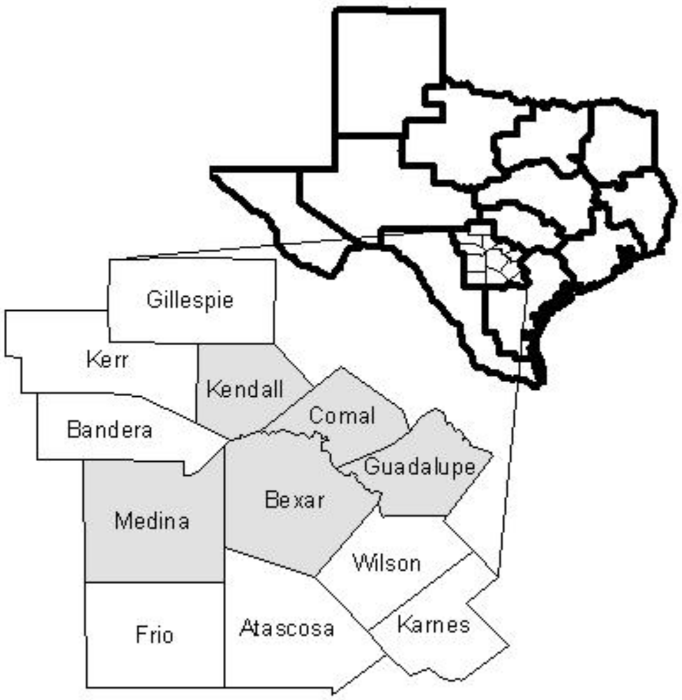
- Only 62.6% of Region 7 households are family households (defined as two people or more related by birth, marriage, or adoption and residing together) the smallest percentage among all regions.
- Region 7 has the lowest homeownership rates among all Regions. 59.0% of all households in Region 7 are owners, compared to 62.2% for the State of Texas.

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 4.3% of the State's population. Approximately 75.5% of Region 8 residents live in urban areas. In the map of Region 8, the shaded counties have urban places.

- 0.3% of Region 8's population identifies as Native Hawaiian and Other Pacific Islander, the highest percentage among all regions.
- 3.3% of Region 8's population identifies as Two or More Races, the highest percentage among all regions.
- 59.2% of all households in Region 8 own their housing unit, the second lowest percentage among all regions behind Region 7.





Region 9

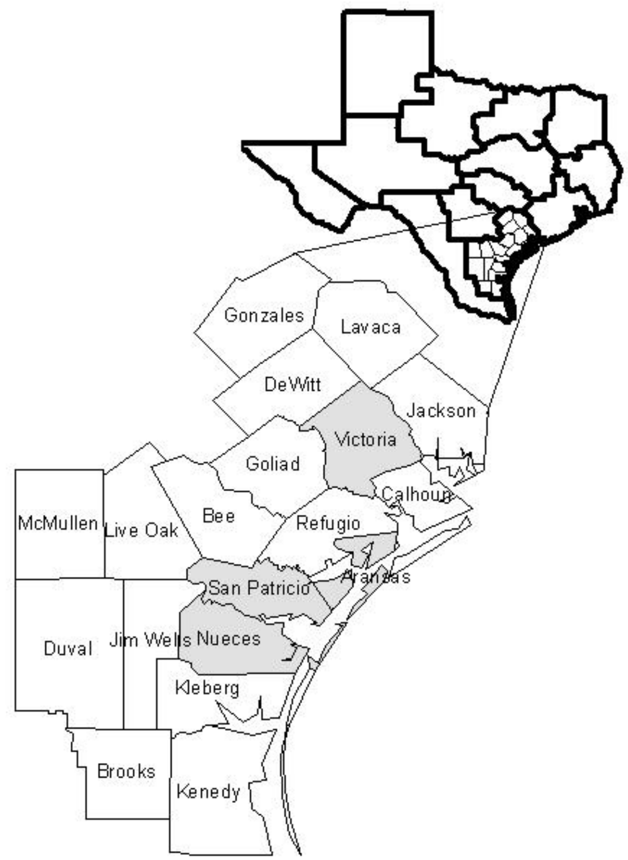
San Antonio is the main metropolitan area in Region 9. This region has 9.0% of the State's population, the third largest share among all regions. Approximately 90.7% of Region 9 residents live in urban areas, the fourth highest urban rate among all regions. In the map of Region 9, the shaded counties have urban places.

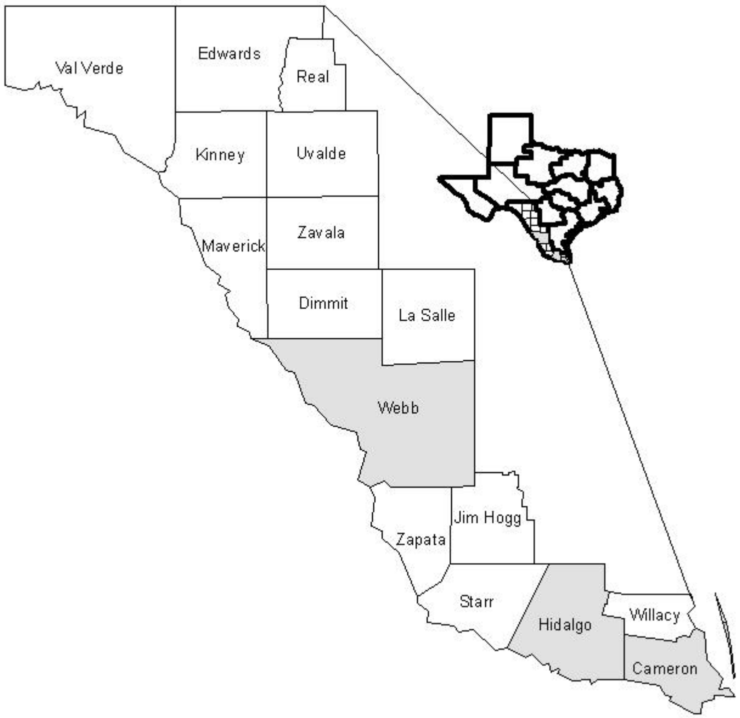
- 7.7% of Region 9's population identifies as Some Other Race, the second highest percentage among all regions. This could be a result of the Hispanic population including their ethnicity with their race.
- 62.8% of persons in Region 9 own their housing unit. This is very close to the State of Texas' homeownership rate, 62.2%.

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 2.9% of the State's population. A majority of the population of Region 10 (68.1%) live in urban areas. In the map of Region 10, the shaded counties have urban places.

- 85.8% of Region 10's population identifies as White, the second highest percentage among all regions. However, 37.2% of Region 10's population identifies as White but Not Hispanic or Latino. The majority of Region 10's White residents identify as Hispanic or Latino.
- 63.3% of households in Region 10 own their housing unit, only slightly higher than the State homeownership rate of 62.2%.





Region 11

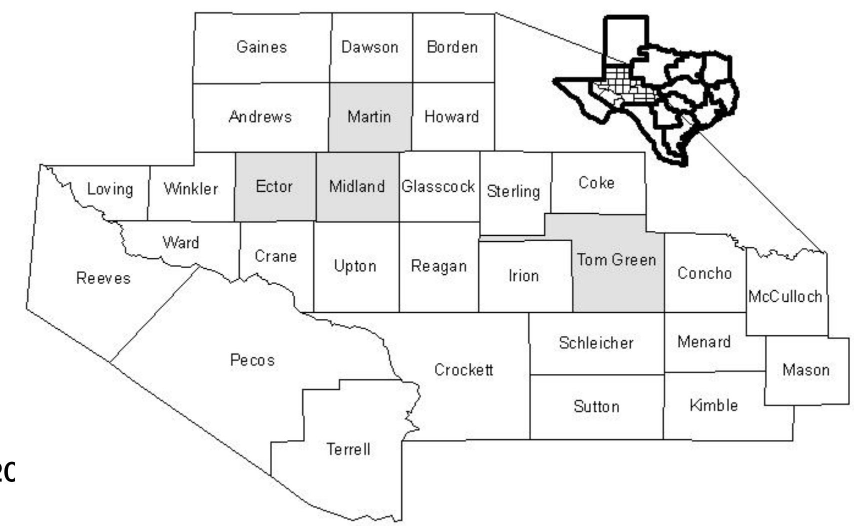
Region 11 is a 16-county area along the border of Mexico. The main urban areas in the region are Brownsville-Harlingen, McAllen-Edinburg, Del Rio, and Laredo. This region has 6.7% of the State's population. 84.5% of Region 11's population live in urban areas. In the map of Region 11, the shaded counties have urban places.

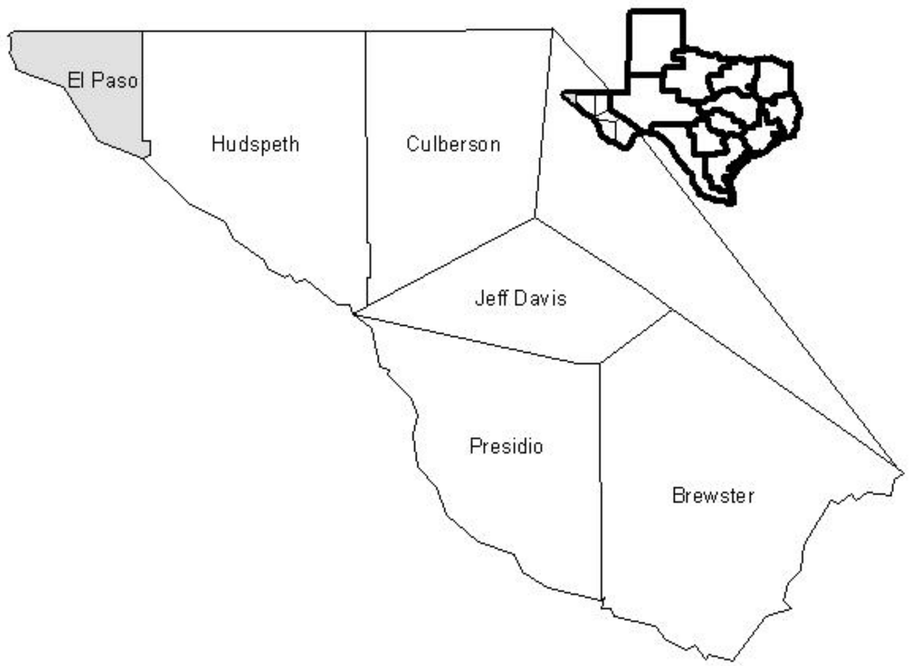
- 92.3% of Region 11's population identifies as White, the highest percentage among all regions—however, only 8.0% of Region 11 identifies as White Not Hispanic (the lowest percentage among all regions). 90.6% of Region 11's population identifies as Hispanic or Latino, the highest percentage among all regions.
- Region 11 has the lowest percentage population of many racial groups. 0.6% of Region 11's population identifies as Black or African American, 0.3% of Region 11's population identifies as American Indian and Alaska Native, 0.8% of Region 11's population identifies as Asian, and 0.01% of Region 11's population identifies as Native Hawaiian and Other Pacific Islander. All of these percentages are the lowest among all regions for the respective race.
- 32.9% of Region 11's population is under 18 years old, the highest percentage among all regions.
- Out of all Region 11's households, 80.4% are family households and 42.1% are households with their own children under 18 years old; the highest percentage of both out of all regions.
- 67.7% of Region 11's housing units are owner-occupied, higher than the State's rate of 62.2%.

Region 12

Region 12 in west Texas surrounds the urban areas of Odessa-Midland and San Angelo. This region has 2.3% of the State's population. Approximately 69.0% of Region 12 residents live in urban areas. In the map of Region 12, the shaded counties have urban places.

- Region 12 has a homeownership rate of 67.5%, higher than the State's rate of 62.2%





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 3.2% of the State's population. Approximately 97.1% of Region 13 residents live in the urban area of El Paso, the highest rate among all regions. The urban nature of Region 13 is due more to an extremely low rural population in addition to a relatively high urban population. In the map of Region 13, the shaded county has urban places.

- 3.5% of Region 13's population identifies as Black or African American, the second lowest percentage after Region 11.
- 80.8% of Region 13 identifies as Hispanic or Latino, the second highest percentage after Region 11. 13.9% of Region 13 identify as White Not Hispanic or Latino, the second lowest percentage after Region 11.
- 9.4% of Region 13's population identifies as Some Other Race, the highest percentage among all regions. This could be a result of the Hispanic population including their ethnicity with their race.
- 28.6% of Region 13's population is under 18 years old, the second highest percentage after Region 11.
- Out of all Region 13's households, 74.6% are family households and 36.5% are households with their own children under 18 years old; the second highest percentage of both out of all regions.
- 61.7% of Region 13 households own their housing unit, only slightly lower than the State homeownership rate of 62.2%.

SPECIAL NEEDS POPULATIONS

Tex. Gov't Code §2306.0721 requires the Department to include in the Plan the housing needs of individuals with special needs as well as the size of those populations in each uniform service region where information is available. The Department identifies special needs populations as:

- elderly persons,
- farmworkers,
- persons experiencing homelessness,
- persons living with HIV/AIDS and their families,
- persons with disabilities (mental, physical, and developmental),
- persons with substance use disorders,
- persons with Violence Against Women Act ("VAWA") protections,
- residents of colonias,
- residents of public housing,
- veterans and wounded warriors, and
- youth aging out of foster care.

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level.

Tex. Gov't Code §2306.0721(c)(1) requires that this Plan also include an estimate and analysis of the size and housing needs of individuals and families of moderate, low, very low, and extremely low income. This information is not included in the Special Needs Populations section because it is included in the Poverty and Income section. In addition, the regional numbers of public housing units in which residents of public housing live is not included in the Special Needs Populations section because it is included in the Housing Availability and Affordability section.

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 a person who is 62 years of age or more and unable to perform at least three "activities of daily living, comprising of eating, bathing, grooming, dressing or home management activities" (HUD, n.d.a).

According to a long-term study of aging 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 to enable elderly households to remain in their homes. 39.8% of all elderly very low income renters have worst case housing needs. 22.3% of households experiencing worst case housing needs in 2015 were Elderly Person Households without children, a 3.3% increase since 2013 (HUD, August 2017).

Although HUD's definition for 'Elderly Person Household' involves persons at least 62 years of age, definitions may vary across data sources and assistance programs available to elderly persons. Certain TDHCA programs align their definition of elderly with the Housing for Older Persons Act, which includes persons at least 55 years old. Due to census data availability, the following analysis will be conducted looking at persons 65 years of age or older.

According to the table below, approximately 79.8% of Texans aged 65 and older 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 aging population and the efficiencies that can be realized from serving older adults in a centralized location (Viveiros, 2014).

Older Texans face housing challenges that will become more prevalent as the elderly population grows. The incidences of disability increase with age. According to 2011-2015 ACS Estimates, 9.9% of Texans 18 to 64 years old have a disability, while 39.5% of Texans 65 and older have a disability. In addition, older households tend to live in older homes: 35.3% of households aged 65 years and older lived in housing stock built before 1970 compared to 22.5% among persons younger than 65 years old. These factors may increase the need for housing modifications for accessibility and home repair.

Elderly populations have a range of unique housing needs. A 2014 Harvard University Joint Center for Housing Studies report on housing needs of the nations aging population found that cost burden (expenditures including housing and utilities that exceed 30% 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. On average, severely cost burdened and low-income households spend more than 40% less on food than households living in housing they can afford, making clear the link between hunger and high housing costs among older adults.

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	588,847	2,379,385	2,968,232	26,538,614	11.2%

Source: 2011-2015 American Community Survey, Table DP05.

Regional Analysis

16.6% of Region 4's and 16.3% of Region 2's residents are at least 65 years old, the highest proportion of all regions. In both cases, the number of elderly residents is larger in the Region's rural counties than the urban counties. The only other Region where this is the case is Region 5, which has the third largest percentage of elderly residents at 15.5%.

The rural counties of Region 4 have the largest share of the States' rural counties' elderly population at 19.7%. 57.8% of Region 4's residents live in rural counties, but 62.2% of Region 4's population over the age of 65 live in rural counties. As noted previously, rural elderly residents may face increased difficulty accessing services as a result of decreased development density and travel challenges.

Regions 3 and 6 together account for 45.6% of the states' elderly residents, or 1,281,337 individuals. The urban counties of Regions 3 and 6 alone, a total of 20 counties encompassing the majority of the Houston-The Woodlands-Sugar Land and Dallas-Fort Worth-Arlington MSAs, account for 43.2% of the states' elderly population. However, the urban counties of Region 3 and Region 6 account for 49.8% of the population of the State of Texas. This means that proportionally the elderly population of these subregions is relatively low. 9.6% of Region 6's residents are at least 65 years old, the lowest proportion of all regions.

Farmworkers

As one of the top five states in agricultural production, 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, n.d.). According to the Texas Workforce Commission, demand for agriculture workers grew by a slight 1.0% (adding 574 jobs) between the first quarters of federal fiscal year 2011 and federal fiscal year 2016. During the same time period, demand for workers in retail trade workers by 14%, educational services by 22.4%, and accommodation and food services by 23.4%. In Texas and across the nation, this industry has been using fewer and fewer workers in recent decades as farming methods have become more efficient. Farms now tend to be fewer in number, larger and more expensive to operate, but also much more productive (Texas Workforce Commission, 2016). 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).

Agricultural workers support the 985 billion dollar agricultural industry in the U.S. and increase the overall economic output of regions in which they work. However, farmworker housing is often substandard or non-existent, and the wages of the farmworker are usually low. Agricultural workers represent some of the most economically disadvantaged people in the U.S., with 30% of agricultural worker families surveyed in the 2013-2014 National Agricultural Workers Survey reporting total family income levels below the national poverty guidelines. Many agricultural workers, particularly migrant workers, report living in crowded living spaces or being in living situations not meant for human habitation (outdoors, cars, trucks, vans, etc.) (National Center for Farmworker Health, Inc, 2017). 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, 2013).

Migrant Seasonal Farmworker Population Estimates, Texas

State	Total
Total	289,600

Source: Texas Workforce Commission, 2012 (most recent data available).

Persons Experiencing Homelessness

Homelessness is defined in a variety of ways. While the definitions of homelessness are 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.

HUD's 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 Homeless Assessment Report to Congress, 67% of Americans experiencing homelessness were homeless as individuals and 33% were homeless as persons in families. Nationally, homelessness increased for the first time in seven years by just under 1% between 2016 and 2017. This increase is attributable to an increase in the number of unsheltered individuals in the 50 largest U.S. cities. However, the number of people experiencing homelessness in families with children declined by 5% between 2016 and 2017. This 5% figure represents 10,055 people and 3,294 family households. (HUD, December 2017). These comparisons of homelessness by household type nationally demonstrate HUD's progress to meet its goal to end family homelessness by 2020.

Texas is one of five states that together accounted for half of the nation's population experiencing homelessness in 2017 with 4% of the national total in Texas (or 23,548 people). Between 2016 and 2017, Texas saw the fifth largest percentage increase (1.8%) of all states. However, between 2007 and 2017, Texas saw the largest percentage decrease (40.8%) in the number of people experiencing homelessness compared to other states. Texas had the second largest percentage decrease in persons experiencing homelessness as individuals (a decrease of 36.5%) and the largest percentage decrease in families with children experiencing homelessness (a decrease of 49.3%) over the same time period (HUD, December 2017). Based on Continuum of Care Point in Time counts generated by the Texas Homeless Network, in 2017 approximately 23,548 persons considered homeless were physically counted (HUD, November 2017).

Based on a calculation using the U.S. Department of Education's count of children experiencing homelessness 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 children experiencing homelessness 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 population experiencing homelessness each January on a given night. The 2017 Annual Homeless Assessment Report to Congress reported 40,799 unaccompanied homeless youth under the age of 25, around 7% of the total homeless population and 11% of persons experiencing homelessness as individuals (HUD, December 2017). A 2013 study of runaway and homeless youth found that 41.1% of respondents identified as Black or African American compared to 33.3% identifying as White only. The same study found that 30% of surveyed street youth identified as lesbian, gay or bisexual while 6.8% identified as transgender, roughly three times the percentage of transgender youth nationally (USHHS FYSB, 2014).

Because the ACS 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 persons experiencing homelessness by subpopulation in Texas.

Homeless Populations, Texas

Homeless Subpopulations	Sheltered	Unsheltered	Total
Chronically Homeless	1,481	2,230	3,711
Severely Mentally Ill	2,562	2,571	5,133
Chronic Substance Use Issues	1,969	2,404	4,373
Veterans	1,379	821	2,200
Persons with HIV/AIDS	166	176	342
Survivors of Domestic Violence	2,593	1,175	3,768

Source: HUD, November 2017.

Persons Living 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. 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.

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 82,745 Texans living with a diagnosed HIV infection at the end of 2015 and 86,669 Texans living with a diagnosed HIV infection at the end of 2016 (Texas Department of State Health Services, 2017).

Persons with HIV/AIDS, Texas

State	Persons with HIV/AIDS – 2016, Rural	Persons with HIV/AIDS – 2016, Urban	Total Persons with HIV/AIDS*, 2016	2011-2015 Total Population	Percent of Persons with HIV/AIDS to Statewide Population
Total	3,922	78,550	86,669	26,538,614	0.33%

Source: Texas Department of State Health Services, 2017.

*The 4,197 people counted in Texas Department of Criminal Justice facilities, Federal Prison facilities, and Federal Immigration and Customs Enforcement facilities are not attributed to a geographic area.

Note: Figures do not include those unaware of their HIV infection or those who tested HIV positive solely through an anonymous HIV test.

Regional Analysis

The 2016 HIV Surveillance Report (released in July 2017) indicates that almost two thirds (64.0%) of all persons in Texas with HIV diagnoses live in the urban counties of Region 3 and Region 6 containing the Dallas and Houston areas. Almost half (48.5%) live in Harris and Dallas Counties alone. 0.38% of people in Region 3 and 0.44% of people in Region 6 have HIV/AIDS compared to Texas' 0.33%. Only Regions 3 and 6 surpass the state percentage of population with HIV/AIDS. The remaining regions' percentages of persons living with HIV/AIDS range from 0.10% in Region 2 to 0.30% in Region 7. Region 6 has the largest population of persons living with AIDS/HIV among all regions at 28,909 individuals, which is 33.4% of all persons living with HIV/AIDS in the State of Texas.

The vast majority (95.2%) of persons with HIV diagnoses in Texas live in urban counties, where services including healthcare are more readily available. Nearly a quarter (22.0%) of all persons with HIV diagnoses in rural Texas counties live in Region 4. 15.9% of all persons with HIV diagnoses in rural Texas counties live in Region 5. 0.16% of all residents of rural Region 5 counties are living with HIV/AIDS, the second highest rate among all rural subregions. These individuals living in rural East Texas counties could experience increased barriers to accessing care and services.

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" (HUD, n.d.)

A significant number of persons with disabilities face extreme housing needs. The 2011-2015 ACS data shows that 17.5% 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 worst case housing needs affected 39.4% of unassisted very low-income renter households containing nonelderly persons with disabilities in 2015, slightly less than the 43.2% prevalence among very low-income renters overall. 24.2% of very low-income renter households containing persons with disabilities are severely rent burdened and pay more than 50% of their income towards housing, a steep 25.2% drop since 2013 (HUD, August 2017).

According to the table below, of those Texans with disabilities, approximately 81.8% 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 Non-Institutionalized Population	Percent of Non-Institutionalized Population with Disability
Total	550,357	2,477,894	3,028,251	11.6%

Source: 2011-2015 American Community Survey, Table S1810.

Persons with Disabilities as a percentage of Total Population, Texas

Age	Population with a Disability	Total Civilian Non-Institutionalized Population	Persons with a Disability as a Percentage of Total Population
Under 5 years	17,179	1,951,118	0.9%
5 to 17 years	274,465	5,097,268	5.4%
18 to 64 years	1,596,252	16,130,045	9.9%
65 years and over	1,140355	2,884,000	39.5%
Total	3,028,251	26,062,431	11.6%

Source: 2011-2015 American Community Survey, Table S1810.

Regional Analysis

Almost 20% of all persons with disability residing in rural counties are in Region 4, but Region 4 only contains 18.6% of all rural Texans. Region 4 has 5.7% of all persons with disabilities in the State of Texas, but only 4.2% of the state total population. 17.1% of the population of Region 5 has a disability, the largest percentage in the State followed by Region 2 at 16.4%. Regions 2, 4, and 5 are the only regions that have a greater number of persons with disabilities in their rural counties than in their urban counties. Region 4 is the only region that has a greater total rural population than urban.

The urban counties of Regions 3 and 6 combined account for 41.7% of all persons with disabilities in the State. However, the Regions 3 and 6 account for 49.8% of all people in the State of Texas, so this is a relatively low rate. In fact, Regions 6 and 7 have the lowest percentage population of persons with disability at 9.7%, followed closely by Region 3 at 9.8%. Regions 3, 6, and 7 contain the cities of Dallas-Fort Worth, Houston, and Austin respectively. Despite representing the greater number of persons with disability in Texas, these cities proportionally contain less of the State's persons with disabilities.

Persons with Substance Use Disorders

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, Kasprow, 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, 2015).

Alcohol or substance use disorders can lead to homelessness or can be a result of homelessness. The National Institute on Drug Abuse found that in 2013, 11.2% of clients admitted to DSHS-funded substance abuse treatment programs in Texas were homeless (Maxwell, 2014). Among clients admitted to DSHS-funded treatment for heroin in 2014, 18% were homeless. Among clients admitted for cocaine, amphetamine, or methamphetamine, 13% were homeless (Maxwell, 2015). Statewide, of the 23,548 people who were homeless on a single night in January, 2017, 21.8% had a severe mental illness, and 18.6% had a chronic substance use problem (HUD, November 2017). It is estimated that nearly half of all individuals experiencing homelessness and 70% of veterans experiencing homelessness suffer from substance use disorders, and a majority of those with substance use disorders also suffer from moderate to severe mental illness (United States Interagency Council on Homelessness, 2015). 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 substance use issues. 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 (HUD, 2011). 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 Violence Against Women Act ("VAWA") Protections

Persons with VAWA protections include survivors of domestic violence, dating violence, sexual assault, or stalking. Many survivors of domestic violence who are living in poverty are often forced to choose between staying in abusive relationships or becoming homeless. For many survivors, 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. Housing is a constant need for survivors of domestic violence. The National Network to End Domestic Violence reports 11,991 national requests for service on September 14, 2016, that could not be provided due to lack of resources. 66% of those requests (7,914) were for housing, up from 63% of unmet requests on September 16, 2015 (National Network to End Domestic Violence, 2017). Services which may help survivors of domestic violence move to safety include physical protection services, legal protection for his or herself and any children involved, counseling, and employment assistance.

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. In a 2013 survey of service availability, only 68% of Texas counties had some form of physical access point for services, and only 28% of counties have a family violence shelter. 29% of counties without physical access points offer access via meeting a survivor at an agreed location or at the county line, but a survivor must call for services first. Eight counties (3.1%) do not have access to any services of any kind (Texas Council on Family Violence, 2013). The National Network to End Domestic Violence found that on September 14, 2016 alone, 999 requests for services in Texas were unmet because programs did not have the resources to provide these services. 57% (569) of those requests were for housing. Although the total number of unmet requests decreased from 2015 to 2016, the percentage of those requests that were for housing services increased. The primary reason for not being able to provide services was staff reductions. (National Network to End Domestic Violence, 2017).

The Texas Department of Public Safety reports that the total number of Texas family violence incidents in 2016 was 196,564. This represented a 0.9% increase when compared to 2015. These incidents involved 214,815 victims (up 1.7% from 2015) and 208,764 offenders (up 1.8% from 2015). The table below shows total victims of domestic violence in Texas. It must be noted that there is not a one-for-one relationship between incidents and victims of domestic violence. One incident can involve multiple victims, and one victim can experience multiple incidents. However, the numbers below will not reflect the severity of the problem. According to 2010-2014 data from the National Crime Victimization Survey, when the victim and offender had an intimate relationship or were related, 70% of aggravated (with a weapon) and 55% of simple (without a weapon) assaults were reported. Regardless of relationship between survivor and offender, rape and sexual assault were the least likely type of crime to be reported to police at just 36% of incidents reported (Bureau of Justice Statistics, 2014).

Domestic Violence Victims, Texas

Area	Total Victims, 2016	Total Population, 2015	% of Victims to Population
Rural	19,964	3,494,852	0.57%
Urban	194,851	23,043,762	0.85%
Texas	214,815	26,538,614	0.81%

Source: Texas Department of Public Safety, 2017; 2011-2015 ACS.

Regional Analysis

1.06% of the population of Region 1 are victims of family violence, the highest rate among all regions. 4.2% of Texas victims of family violence are in Region 1, but Region 1 only has 3.2% of total state population.

Region 6 has the largest number of victims of family violence, 62,041 (28.9% of the State total). The urban counties of Region 6 alone account for 28.2% of all victims of family violence in the state of Texas, but those same counties only represent 24.5% of the total state population. 0.95% of Region 6’s population are victims of family violence, slightly higher than the State percentage.

0.62% of the population of Regions 7 and 13 are victims of family violence, the lowest percentage among all regions. The urban counties of Region 7 have the lowest rate among all urban subregions at 0.61% and the rural counties of Region 13 have the lowest rate among all rural subregions at a standout low of 0.25%.

Residents of Colonias

Colonias are substandard housing developments mainly found along the Texas-Mexico border. These developments lack basic services such as drinking water and sewage treatments. Several state agencies, including TDHCA, are working to address remaining barriers in colonia communities.

According to Tex. Gov’t 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 with 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 et al., 2012).

An estimated 500,000 people live in 2,294 colonias in Texas (Federal Reserve Bank of Dallas, April 2015). Based on a 2014 assessment by the Texas Office of the Secretary of State's Colonia Initiatives Program, 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, 2014.

Residents of Public Housing

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 Housing Choice Voucher ("HCV") administration. HCV allows very low-income families to choose and lease or purchase safe, decent and affordable privately-owned rental housing (HUD, n.d.b). Residents of public housing 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	13,882	40,384	54,266

Source: HUD, March 2017.

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 (Texas Veterans Commission, 2014).

Veterans face a host of challenges when transitioning back to civilian life. Nationwide, about 1.5 million veterans live in poverty, and the veteran poverty rate is rising (US Department of Veteran Affairs, May 2015). In Texas, 7.9% of the Texas population over age 18 consists of veterans, and 9.3% of the adult population experiencing homelessness counted on a single night in January 2017 consisted of veterans. This is an increase from 2016, when 7.6% of the adult population experiencing homelessness counted on a single night in January consisted of veterans (HUD, November 2017). On a single night in 2017, there were 40,056 veterans experiencing homelessness in the United States, and nearly all (98%) were homeless in households without children (as individuals). Between 2016 and 2017, homelessness among veterans increased by 1.5% (or 585) nationwide. Texas had the third largest percentage increase in homeless veterans from 2016 to 2017, 24.4% (or 432) (HUD, December 2017).

Veteran 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). In a 2013 study of veterans experiencing homelessness, 60% had a substance use disorder (Tsai et al., 2013). In addition, as many as two-thirds of veterans experiencing homelessness of the Iraq and Afghanistan wars had post-traumatic stress disorder (DeAngelis, 2013). These factors may affect veteran's ability to acquire and remain in stable housing and support the need for availability of services.

Veterans, Texas

State	Rural Veterans	Urban Veterans	Total Veterans	2011-2015 Population over 18 years	Percent Veterans of Population Over 18 Years
Total	247,202	1,539,655	1,539,655	19,384,188	7.9%

Source: 2011-2015 American Community Survey, Table S2101.

Regional Analysis

12.6% of Region 8's civilian population over 18 years old are veterans, the highest percentage among all regions followed closely by Region 9 at 12.0%. Region 8 contains Fort Hood in Killeen and Region 9 contains Joint Base San Antonio. Region 9 has the third largest veteran population of all regions at 321,661.

12.2% of the civilian population over 18 years old of the rural counties of Region 9 are veterans, the highest percentage among all rural subregions followed closely by Region 7 at 12.1%. Region 7 has the greatest difference in the percentage population of veterans between rural and urban subregions with a 4.8% difference (although more veterans live in the urban counties of Region 7 overall).

Region 3 has the largest veteran population of all regions, 697,646 or 24.9% of all Texas veterans. Region 6 has 624,360, or 19.1% of all Texas veterans. Considering that Regions 3 and 6 account for 26.9% and 24.5% of the State's total population respectively, this is a relatively low proportion.

Region 11 has the smallest share of the State's veteran population at 4.5% while Region 12 has the lowest percentage population of veterans at 2.9%.

Youth Aging Out of Foster Care

In Texas, youth in the foster care system in Texas age out at 18 years old (although under a variety of programs may be able to stay in the system to receive ongoing assistance until the age of 24). In state fiscal year 2016, 1,250 youth were emancipated from foster care with some youth receiving assistance and services to help them transition to adulthood and some youth ceasing continued contact with the child welfare system once they leave foster care. A recent study of youth who had been in foster care found that when asked where they went when they aged out, 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 et al., 2015). A study of homeless youth by the U.S. Department of Health and Human Services' ("USHHS") Family and Youth Services Bureau found that 50.6% of respondents had reported staying in foster care or a group home (USHHS FYSB, 2014).

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 issues and early parenthood out of wedlock (Casey Family Programs, 2016).

These factors combine to make homelessness a real possibility for many youth that age out of foster care. Foster care alumni may benefit most from housing tied with other services, such as education, financial literacy, and services to facilitate connections for emotional support. The Texas 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 SFY 2016

State	Rural	Urban	Total
Total	226	1,024	1,250

Source: Texas Department of Family and Protective Services, 2017

Regional Analysis

Because the number of youth aging out of foster care is small compared the population of the State, the percentage of each region's population that are youth aging out of foster care vary by only thousandths of a percentage. 0.008% of the population of Regions 1, 4, and 9 are youth aging out of foster care, the highest percentage. Regions 5 and 13 have the lowest percentage—only 0.003% of each region's population are youth aging out of foster care.

Region 3 contains 21.4% of all youth aging out of foster care in Texas, the largest share of all regions. The urban counties of Regions 3 and 6 account for 38.2% of all youth aging out of foster care in the State of Texas. Region 13 has the smallest portion of youth aging out of foster care in the State of Texas at 1.8%. Region 13 accounts for 3.2% of the State's total population of youth aging out of foster care.

Despite only 18.6% of all Texas residents of rural counties being in Region 4, 24.8% of all youth aging out of foster care living in rural counties reside in Region 4. Region 5 has the largest difference between the urban/rural split of the total regional population and the regional population of youth aging out of foster care. While 50.7% of the Region's total population lives in its urban counties, only 30.4% of the regional youth aging out of foster care reside in urban counties.

POVERTY AND INCOME

The total number of individuals below 125% of poverty is one of the need indicators for some of the Department's programs instead of 100% of poverty consistent with federal program design. The 2017 poverty income guideline for a family of 4 is $24,600. In 2017, a family of 4 at 125% poverty would make approximately $30,750 per year.

According to the 2011-2015 American Community Survey, 5,880,611 individuals in Texas live below 125% of the poverty line. 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	821,124	5,059,487	5,880,661
% Individuals below 125% of poverty	23.5%	22.0%	22.2%
Total Population	**3,494,852**	**23,043,762**	**26,538,614**

Source: 2011-2015 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% of AMFI
- Very Low Income: Between 31% and 50% of AMFI
- Low Income: between 51% and 80% of AMFI
- Moderate Income: Between 81% and 100% of AMFI
- Above 100+% 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	1,014,295	933,880	1,298,700	740,730	3,802,440
Rural	157,753	162,705	215,351	119,963	567,754
Total	1,172,048	1,096,585	1,514,051	860,693	4,370,194

Source: 2010-2014 CHAS, Table 8.

A total of 42.0% of all Texas households are at or below the low-income range (0 to 80% of AMFI). Meeting the needs of this large portion of the State's households is TDHCA's primary focus.

Regional Analysis

Region 11 has the largest proportion of the state's households in the 0-30% AMFI income group at 19.2% followed by Region 13 at 14.2%. Regions 11 and 13 contain the majority of Texas' border counties. The majority of Region 11's households (52.5%) are low income (0-80% AMFI). 54.5% of Region 11's rural residents are low-income, compared to 52.0% of its urban residents. 50.5% of Region 13's rural residents are low-income households compared to 46.2% of its urban residents.

Regions 1 and 9 are the only regions that have a higher rate of low-income households in their urban as opposed to rural counties. Region 5 has the greatest difference between urban and rural households in the low income range as a percentage of subregional population (40.7% in the urban counties and 45.4% in the rural counties).

Region 12 has the smallest proportion of households in the 0-30% AMFI income group at 10.4%. Region 12 has the lowest percent of urban low income households at 37.7%, but Region 9 has the lowest percentage of rural low income households at 39.7%

Region 3 has the largest number of low-income households of any region (1,014,475, 26.8% of the States' total), followed by Region 6 (905,970, 24.0% of the states' total). The urban counties of Regions 3 and 6 alone account for 48.9% of the states' total low income households.

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 (measured by 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 percentage 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 % with at least one problem	Owner At least one problem	Owner Total Households	Owner % with at least one problem	Total Households
0 to 30% AMFI	604,171	760,657	79.43%	302,862	411,391	73.62%	1,172,048
>30 to 50% AMFI	486,314	588,392	82.65%	290,557	508,193	57.17%	1,096,585
>50 to 80% AMFI	365,334	701,338	52.09%	347,930	812,713	42.81%	1,514,051
>80 to 100% AMFI	81,562	336,366	24.25%	152,184	524,327	29.02%	860,693
>100% + AMFI	83,272	974,265	8.55%	307,965	3,395,929	9.07%	4,370,194
Total	1,620,703	3,361,040	48.22%	1,401,474	5,652,505	24.79%	9,013,571

Source: 2010-2014 CHAS, Table 1 and Table 8.

Of renter households, those at 31-50% AMFI are the most likely to have at least one housing problem. Of owner households, those at >50-80% 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 physically inadequate occupied housing units, 32.7% are occupied by extremely low-income renter households and 24.8% are occupied by extremely low-income owner households. 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 Units Lacking Kitchen and/or Plumbing by Income Category, Texas

Income Categories	Renter Households lacking kitchen or plumbing	Total Renter House-holds	% of renters lacking kitchen/plumbing in income category	Owner Households Lacking Kitchen or Plumbing	Total Owner House-holds	% of owner lacking kitchen/plumbing in income category
0 to 30% AMFI	20,519	760,657	2.7%	10,784	411,391	2.6%
>30 to 50% AMFI	13,367	588,392	2.3%	7,974	508,193	1.6%
>50 to 80% AMFI	12,589	701,338	1.8%	6,823	812,713	0.8%
>80 to 100% AMFI	4,822	336,366	1.4%	3,364	524,327	0.6%
>100% + AMFI	11,529	974265	1.2%	14557	3,395,929	0.4%
Total	62,826	3,361,018	1.9%	43,502	5,652,553	0.8%

Source: 2010-2014 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.

Housing Cost Burden

A cost burden is identified when a household pays more than 30% 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 917,723 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% AMFI, where 36,818 households experience the problem. While the number of housing cost burdened renters at or below 50% AMFI increased by 33,516 households, the number of housing cost burdened renters above 100% AMFI decreased by 32. The trend is even more dramatic among homeowners. The percent of homeowners at or below 30% AMFI that are cost burdened remained the same from the previous year, however, every other homeowner income category saw a decrease in the percent or cost burdened owners.

Number of Households with Housing Cost Burden by Income Category, Texas

Income Categories	Renters with Cost Burden	Total Renter Households	% of Renter Households with Cost Burden	Owners with Cost Burden	Total Owner Households	% of Owners with cost burden
0 to 30% AMFI	507,684	760,657	66.7%	269,358	411,391	65.5%
>30 to 50% AMFI	410,039	588,392	69.7%	251,822	508,193	49.6%
>50 to 80% AMFI	297,106	701,338	42.4%	294,166	812,713	36.2%
>80 to 100% AMFI	55,698	336,366	16.6%	125,415	524,327	23.9%
>100% + AMFI	36,818	974,265	3.8%	232,065	3,395,929	6.8%
Total	1,307,345	3,361,018	38.9%	1,172,826	5,652,553	20.7%

Source: 2010-2014 CHAS, Table 3.

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.

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 Households	% of Renters with Overcrowding	Over-crowded Owners	Total Owner House-holds	% of Owners with Overcrowding
0 to 30% AMFI	75,968	760,657	10.0%	22,721	411,391	5.5%
>30 to 50% AMFI	62,959	588,392	10.7%	30,829	508,193	6.1%
>50 to 80% AMFI	55,634	701,338	7.9%	46,953	812,713	5.8%
>80 to 100% AMFI	20,982	336,366	6.2%	23,397	524,327	4.5%
>100% + AMFI	34,961	974,265	3.6%	61,308	3,395,929	1.8%
Total	246,491	3,361,018	7.5%	184,100	5,652,553	3.3%

Source: 2010-2014 CHAS, Table 3.

Regional Analysis

Region 11 in general has the highest rates of physical inadequacy and overcrowding of all the regions. Region 11 has the highest rates of physically inadequate units among owner households in the 0-30% AMFI, 30-50% AMFI, and 50-80% AMFI ranges and renter households in the 0-30% AMFI range. Region 11 has the highest rates of overcrowding among both renter and owner households across all income groups. Region 11 also has high rates of individuals with income below 125% poverty and contains all border counties, as discussed previously.

Region 10 has the highest rates of physical inadequacy among owner households in the 80-100% AMFI range. Regions 5 and 12 have the highest rates of physically inadequate units among owner households in the >100% AMFI range. Region 12 has the highest rates of physical inadequacy among renter households in the 30-50% AMFI, 50-80% AMFI, and >100% AMFI ranges. Region 4 has the highest rate of physical inadequacy among renter households in the 80-100% AMFI range.

Region 7 has the highest rate of housing cost burden among owner households in the 30-50% AMFI, 50-80% AMFI, 80-100% AMFI, and >100% AMFI ranges as well as the second highest rate among owner households in the 0-30% AMFI range (closely behind Region 3). In addition, Region 7 has the highest rate of housing cost burden among renter households in the 0-30% AMFI, 30-50% AMFI, and 50-80% AMFI ranges. Region 7 contains the Austin-Round Rock MSA. Region 13 has the highest rate of housing cost burden among renter households in the 80-100% AMFI and >100% AMFI ranges.

Regions 3 and 6 have very similar rates of housing cost burden across all income groups, closely following Region 7.

HOUSING AVAILABILITY AND AFFORDABILITY

A housing assessment includes the current housing supply, housing needs, and the availability of subsidized housing.

Housing Supply

Approximately 68.0% of occupied units in Texas were single-family homes. Approximately 24.5% of housing units were within multifamily structures: 1.9% were in developments of 2 units; 3.2% were in developments with 3 or 4 units; 11.2% were in developments with 5 to 19 units; and 8.1% were in developments of over 20 units. The remaining 7.6% of units were manufactured homes and other units such as boats or RVs.

Physical Housing Characteristics for Occupied Units, Texas

Housing Characteristics	Rural Units	Urban Units	Total Units	Percent of Total
1, detached	1,132,518	5,873,837	7,006,355	68.0%
2 apartments	31,840	166,781	198,621	1.9%
3 or 4 apartments	35,750	297,477	333,227	3.2%
5 to 19 apartments	43,084	1,107,352	1,150,436	11.2%
20+ apartments	23,152	815,954	839,106	8.1%
Mobile home	283,998	477,118	761,116	7.4%
Other type of housing	4,978	11,768	16,746	0.2%
Total	8,750,287	1,555,320	10,305,607	100.0%

Source: 2011-2015 American Community Survey, Table DP04.

*The "Other type of housing" category is for living quarters occupied as housing units that do not fit in the previous categories. Examples that fit in the "other" category are houseboats, railroad cars, campers, and vans.

The table below shows occupied and vacant housing. Rural areas experienced lower levels of occupancy than urban areas. The statewide occupancy rate was 88.8%.

Housing Occupancy, Texas

State	Occupied Housing Units	Vacant Housing Units	Percent of Occupied Units
Rural	1,222,569	332,751	78.6%
Urban	7,926,627	823,660	90.6%
Total	9,149,196	1,156,411	88.8%

Source: 2011-2015 American Community Survey, Table DP04.

Regional Analysis

The percent of occupied units slightly increased from the 2010-2014 ACS, though the percent of occupied units in rural counties decreased. The number of vacant units in rural counties has increased while the number of vacant units in urban counties has decreased.

Region 2 has the lowest occupancy rate of all regions at 79.7%. Region 2 has the lowest occupancy rate among urban subregions but the second lowest occupancy rate among rural subregions. Region 13's rural counties have the lowest occupancy rate of any subregion, 69.7%.

Region 3 has the highest occupancy rate of all regions at 91.7% of units occupied. Region 7's urban counties have the highest occupancy rate of any subregion (92.5%) followed closely by the urban counties of Region 3 (92.1%). This aligns with the housing cost burden statistics previously discussed; lower vacancy rates may lead to greater difficulty finding affordable units. Regions 3 and 7 had high rates of housing cost burden.

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, Housing Choice Vouchers and the United States Department of Agriculture ("USDA"). Because some developments layer funding from multiple sources, there may be double counting. The table does not include local Housing Finance Corporations ("HFCs"), a category which encompasses the Texas State Affordable Housing Corporation ("TSAHC"). Detail on these units is available in the Texas State Affordable Housing Corporation Annual Action Plan (Section 7 of this document).

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. HUD Multifamily Assisted Units, Housing Choice Vouchers, and Public Housing Authority data was obtained from HUD Open Data available through the HUD's eGIS geospatial data site. USDA subsidized unit data for active projects by month was taken from USDA's Rural Development Datasets webpage.

Subsidized Multifamily Units, Texas 2016

Multifamily Units	State	Percent of State Inventory
TDHCA Units	239,479	45.1%
HUD Units	60,707	11.4%
Public Housing Authority Units	54,266	10.2%
Housing Choice Vouchers	163,457	30.8%
USDA Units	13,479	2.5%
Total	531,388	100.00%

Source: HUD, March 2017; HUD, September 2017; U.S. Department of Agriculture, 2017.

Regional Analysis

The urban counties of Regions 3 and 6 account for 44.6% of all assisted multifamily units in the State of Texas (236,935 units).

10.1% of all housing units in the urban counties of Region 5 are subsidized multifamily units, the highest percentage among all subregions. The ratio of subsidized multifamily units to total housing units drops by half in the rural counties of Region 5 to 4.9%. The rural counties of Region 11 have the highest percentage of units subsidized among all rural subregions at 6.4%. The high rates of physically inadequate units and overcrowding in Region 11 suggest there is a greater need for affordable housing there.

8.3% of all housing units in Region 13 are subsidized multifamily units, the highest percentage of any whole region.

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 1 of State Fiscal Year 2017, September 2016-November 2016.

Foreclosures, Texas SFY 2017

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	770	690	646	626	2,732
Urban	7,253	6,184	6,409	6,265	26,111
Total	8,023	6,874	7,055	6,891	28,843

Source: RealtyTrac, 2017.

Regional Analysis

The urban counties of Regions 3 and 6 alone account for almost half (49.95%) of Texas homeowners who received notices of public auction. Regions 3, 6, and 9 account for 62.6% of all foreclosures in the state. Each of the remaining of the regions range from 1.4% (Region 2) to 6.8% (Region 11) of all Texas foreclosures.

The rural counties of region 10 account for 23.1% of all rural foreclosures, despite only having 7.0% of all rural Texan households.

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. Units reported in the following tables have complete kitchen and plumbing facilities. 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, 845,448 renter households in Texas with income greater than 80% AMFI occupy units that would be affordable to households at 0-80% 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 following tables 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% of AMFI) account for only about 21.9% of all owner households occupying housing units affordable to them. Additionally, 9.4% of low-income renter households (0-80% AMFI) are residing in homes that are only affordable to renters making >80% AMFI, 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	161,806	64,441	49,928	19,855	51,270	347,284
Units Affordable at >30-50% AMFI	219,936	173,577	150,234	51,113	84,817	679,652
Units Affordable at >50-80% AMFI	300,209	290,413	405,646	200,469	464,569	1,661,371
Units Affordable at >80% AMFI	58,193	46,526	82,950	60,155	361,995	609,908
Total Households	740,144	574,957	688,758	331,592	962,651	3,298,215

Percent of Occupied 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	21.9%	11.2%	7.2%	6.0%	5.3%
Units Affordable at >30-50% AMFI	29.7%	30.2%	21.8%	15.4%	8.8%
Units Affordable at >50-80% AMFI	40.6%	50.5%	58.9%	60.5%	48.3%
Units Affordable at >80% AMFI	7.9%	8.1%	12.0%	18.1%	37.6%
Total Households	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2010-2014 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	278,172	351,647	506,625	291,935	988,410	2,416,878
Home Value >50-80% AMFI	67,596	92,522	191,071	147,342	1,080,949	1,579,537
Home Value >80-100% AMFI	20,212	22,939	44,950	35,790	434,224	558,067
Home Value >100% AMFI	34,540	33,116	63,217	45,923	877,742	1,054,563
Total Households	400,520	500,224	805,863	520,990	3,381,325	5,609,017

Percent of Occupied 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	69.5%	70.3%	62.9%	56.0%	29.2%
Home Value >30-50% AMFI	16.9%	18.5%	23.7%	28.3%	32.0%
Home Value >50-80% AMFI	5.0%	4.6%	5.6%	6.9%	12.8%
Home Value >80% AMFI	8.6%	6.6%	7. 8%	8.8%	26.0%
Total Households	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2010-2014 CHAS, Table 15A and Table 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 (toll free 800-525-0657 or 512-475-3800);
- 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 through the Department's Help for Texans website at http://www.tdhca.state.tx.us/texans.htm.

The first three methods of contact prompt TDHCA staff to provide individualized assistance. The fourth method is automated and does not entail individual attention for the requestor. The following numbers and tables 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 and responsibilities for buying and owning a home.
6. Legal Assistance: landlord/tenant disputes, contract for deed 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, sewer connections, homeowner 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 Housing Choice Voucher and Section 811 PRA programs run by TDHCA in specific areas of the State.

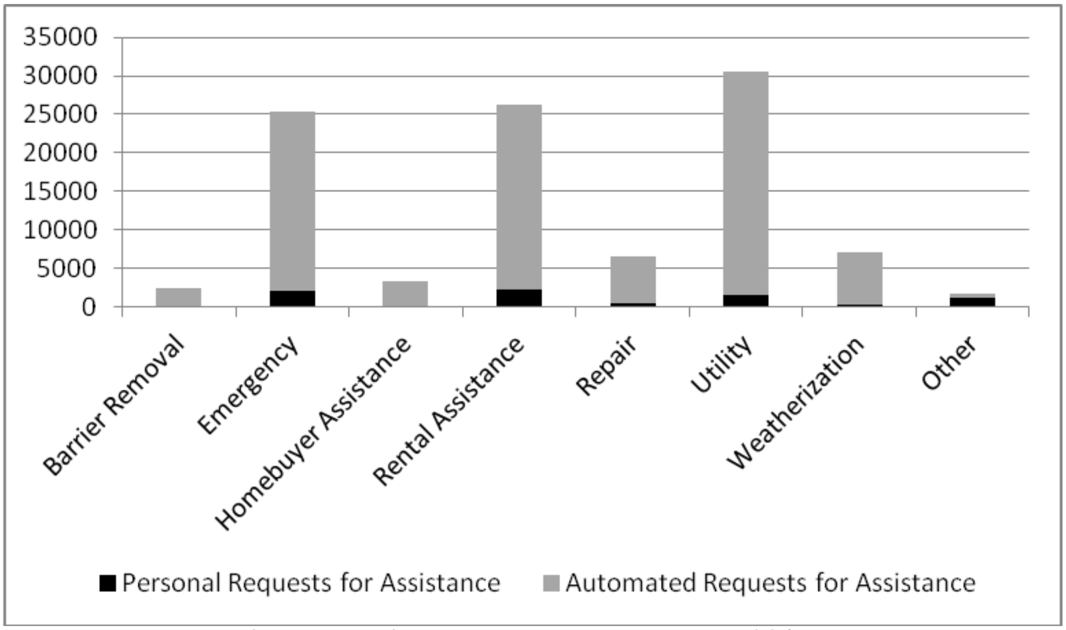
Public Assistance Requests, SFY 2017

Type of Requests	Personal Requests for Assistance	Automated Requests for Assistance	Total
Barrier Removal	201	2,279	2,471
Emergency	2,252	23,253	25,322
Foreclosure Prevention	176	n/a	154
Homebuyer Assistance	208	3,199	3,339
Homebuyer Education	n/a	544	545
Legal	450	n/a	423
Other	1,135	n/a	672
Rental Assistance	2,475	23,887	26,182
Repair	476	6,185	6,614
Utility	1,729	29,056	30,636
Weatherization	340	6,829	7,136

Source: TDHCA Public Assistance Inventory, 2017.

Notes: n/a indicates that this category is not recorded in the database. Often TDHCA provides Emergency Assistance referrals and Utility Assistance referrals to the same requester. During SFY 2017, TDHCA received 9,990 unduplicated Personal and 95,233 Automated Requests for Assistance for a total of 102,714 unduplicated requests. 2.6% (2,718) of all unduplicated requests lacked geographic data and are not included in the regional breakdowns.

Public Assistance Requests, SFY 2017



Source: TDHCA Public Assistance Inventory, 2017.

Requests under 1,500 were not included in the graph. In the above graph, however that data are included in the preceding table. 'Other' includes Foreclosure Prevention, Homebuyer Education, Legal, and Other assistance requests.

Overall, the most common requests are for utility assistance, followed by rental assistance and then emergency assistance. For requests that require personal contact with TDHCA staff, the most common request is rental assistance, followed by emergency assistance and then utility assistance.

Regional Analysis

The ratio of individual requests to population is 0.39% for the State of Texas. Region 8 has the highest ratio of requests to regional population (0.50%). Region 13 has the lowest ratio of request to regional population (0.13%). Region 13 also has 1.1% of the state's total requests for assistance, the fewest of all regions.

Urban Regions 3 and 6 account for 55.0% of all individual requests for assistance.

During declared disasters, TDHCA sees an increase in the number of requests for disaster relief assistance. Since Hurricane Harvey made landfall on August 25, 2017, the Department has experienced a considerable increase in disaster related requests in Regions 5 and 6. Due to Hurricane Harvey making landfall towards the very end of FY 2017, this pattern will be even more pronounced when analyzing FY 2018 data.

SECTION 3: ANNUAL LOW-INCOME HOUSING REPORT

This section of the Plan highlights TDHCA's activities and achievements during the preceding fiscal year and provides detailed analysis of funding and households or individuals served through TDHCA's programs. The analysis is provided at the State level and within each of the 13 service regions TDHCA uses for planning and allocation purposes.

This section of the SLIHP includes the following information per Tex. Gov't Code §2306.072:

- The Operating and Financial Statements for the Texas Department of Housing and Community Affairs ("TDHCA" or "Department") for State Fiscal Year 2016 as required by Tex. Gov't Code §2306.072(c)(1).Statement of Activities: Describes TDHCA activities during the preceding year that served to address housing and community service needs as required by Tex. Gov't Code §2306.072(c)(2)(A-C).

- Statement of Activities by Region: Describes TDHCA activities by region as required by Tex. Gov't Code §2306.072(c)(5).

- Housing Sponsor Report: Describes housing opportunities offered by TDHCA's multifamily development inventory as required by Tex. Gov't Code §2306.072(c)(6)(A-J), §2306.072(c)(8), and §2306.0724(a).

- Analysis of the Distribution of Tax Credits: Provides an analysis of the sources, uses and geographic distribution of housing tax credits as required by Tex. Gov't Code §2306.072(c)(7).

This section is organized as follows:

- Operating and Financial Statements
- Statement of Activities
    - Funding and Households and Individuals Served by Activity and Program
    - Funding and Households and Individuals Served by Income Group
    - Racial and Ethnic Composition of Households and Individuals Receiving Assistance
    - Progress in Meeting TDHCA Housing and Community Service Goals
- Statement of Activities by Uniform State Service Region
- Housing Sponsor Report Analysis
- Geographic Distribution of Housing Tax Credits

For general information about each region, including housing needs and housing supply, please see the Housing Analysis section of this document. Please note that statistics in this section are based on performance measure definitions with two exceptions. Data reported in the Geographic Distribution of Housing Tax Credits section are based on Housing Tax Credit awards. Racial and ethnic data reported for Housing Tax Credit, Multifamily Direct Loan, and Multifamily Bond properties are based on the entire portfolio of TDHCA-assisted properties.

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. Housing programs are split into owner and renter activities.

Included in the renter category are households participating in TDHCA's HOME Tenant-Based Rental Assistance ("TBRA") Program, Section 8 Housing Choice Voucher Program, and Section 811 PRA, 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, Multifamily Direct Loan Program ("MF Direct Loan"), and Multifamily Bond ("MF Bond") Program. MF Direct Loan combines HOME, Tax Credit Assistance Program Repayment Funds ("TCAP RF"), Neighborhood Stabilization Program Round 1 Program Income ("NSP1 PI"), and National Housing Trust Fund ("NHTF") funds to support the development of affordable rental housing. HOME funds utilized for renter new construction and rehabilitation activities funneled through MF Direct Loan are reported under MF Direct Loan throughout this chapter. Renter activities through these programs include:

- New construction activities support multifamily development.
- Rehabilitation construction activities support the acquisition, rehabilitation and preservation of multifamily units.
- Tenant- and project-based assistance supports low-income Texans through direct rental payment assistance.

TDHCA homeowner assistance comes through several divisions: The Texas Homeownership Division, the HOME and Homeless Division, and the Single Family Operations and Services Division ("SFOS"), which includes the Office of Colonia initiatives ("OCI") and State Housing Trust Fund ("HTF"). The Texas Homeownership Division offers the My First Texas Home and Mortgage Credit Certificate Programs. The HOME Division offers the Homeowner Rehabilitation Program, Homebuyer Assistance Program, Contract for Deed Program, and Single Family Development Program. SFOS offers the Texas Bootstrap Program through OCI and the Contract for Deed Conversion Assistance Grants Program and Amy Young Barrier Removal Program through HTF. Owner activities through these programs include:

- Single-family development includes funding for Community Housing Development Organizations ("CHDOs"), nonprofit organizations, and 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 Affairs programs include the Comprehensive Energy Assistance Program ("CEAP"), Community Services Block Grant Program ("CSBG"), and Weatherization Assistance Program ("WAP"). Activities through these programs include:

- Energy related assistance.
- Supportive services.

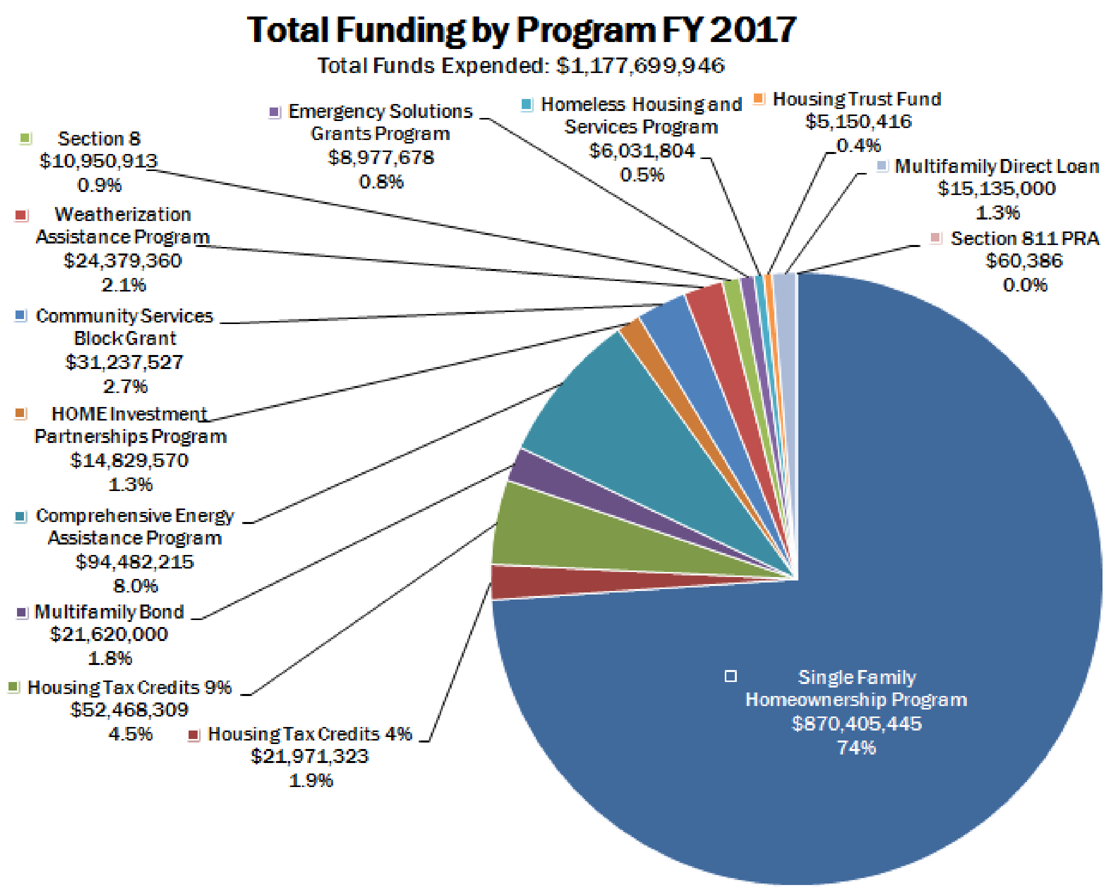
Homelessness programs include the Emergency Solutions Grants Program ("ESG") and Homeless Housing and Services Program ("HHSP"). Activities associated with these programs are grouped together under "homeless services."

FUNDING AND HOUSEHOLDS AND INDIVIDUALS SERVED BY ACTIVITY AND PROGRAM

For the state and for each region, a description of funding allocations, target numbers and actual number of persons or households served for each program is provided.

In FY 2017, TDHCA expended or issued $1,176,846,016 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 (State Housing Trust Fund and the Homeless Housing and Services Program) came from state sources.

TDHCA funding and assistance for activities predominantly benefited extremely low-, very low- and low-income individuals. The chart below displays the distribution of this funding and assistance by program.



TOTAL FUNDING BY PROGRAM, FY 2017

Program	Funds	Percent
Single Family Homeownership Program	$870,405,445	73.91%
Housing Tax Credits 4%	$21,971,323	1.87%
Housing Tax Credits 9%	$52,468,309	4.46%
Multifamily Bond	$21,620,000	1.84%
Comprehensive Energy Assistance Program	$94,482,215	8.02%
HOME Investment Partnerships Program	$14,829,570	1.26%
Community Services Block Grant	$31,237,527	2.65%
Weatherization Assistance Program	$24,379,360	2.07%
Section 8	$10,950,913	0.93%
Emergency Solutions Grants Program	$8,977,678	0.76%
Homeless Housing and Services Program	$6,031,804	0.51%
Housing Trust Fund	$5,150,416	0.44%
Multifamily Direct Loan	$15,135,000	1.29%
Section 811 PRA	$60,386	0.01%
Total	$1,177,699,946	100.00%

FUNDING AND HOUSEHOLDS/INDIVIDUALS SERVED BY ACTIVITY, FY 2017, ALL ACTIVITIES

Activity	Expended Funds	% of Total Funds	Number of Households/ Individuals Served	% of Total Households/ Individuals Served
Rental Assistance	$13,668,121	1.16%	1,678	0.25%
Renter New Construction	$87,469,151	7.43%	6,325	0.92%
Renter Rehab Construction	$23,725,481	2.01%	3,569	0.52%
Owner Financing & Down Payment	$871,261,887	73.98%	5,882	0.86%
Owner Rehabilitation Assistance	$13,191,036	1.12%	244	0.04%
Single Family Development	$3,275,686	0.28%	70	0.01%
Energy Related Assistance	$118,861,575	10.09%	137,814	20.12%
Supportive Services	$31,237,527	2.65%	492,727	71.95%
Homeless Services	$15,009,483	1.27%	36,555	5.34%
Total	$1,177,699,946	100.00%	684,864	100.00%

The following tables detail households served and expended funds by activity and program for all owner and renter housing programs.

HOME and HTF administer programs that fall under multiple activity categories. HOME's Tenant Based Rental Assistance Program falls under "Rental Assistance," multifamily funds are expended through and reported under the Multifamily Direct Loan program and fall under "Rental New Construction" and "Rental Rehabilitation," the Homebuyer Assistance Program and Contract for Deed assistance fall under "Owner Financing and Down Payment," Homeowner Rehabilitation Assistance Program falls under "Owner Rehabilitation Assistance," and the Single Family Development Program falls under "Single Family Development". HTF's Amy Young Barrier Removal Program falls under "Owner Rehabilitation Assistance" and the Texas Bootstrap Program and Contract for Deed Conversion Assistance Grants Program falls under "Owner Financing and Down Payment." HTF and HOME funds and households reflect activities closed during the fiscal year and associated total funding for each household served through closed activities.

Most MF Direct Loan and all MF Bond-funded rental development units also receive tax credits. If a property was funded by multiple programs, the number of households served will only appear in the tax credit household columns in order to prevent double counting. 9% 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.

Figures for housing programs are based on performance measure definitions and reports submitted to the Legislative Budget Board ("LBB"). SLIHP figures may not match LBB submissions.

FUNDING AND HOUSEHOLDS SERVED BY HOUSING ACTIVITY AND PROGRAM, FY 2017

Households Served by Activity and Housing Program, FY 2017

Activity	SF Home-ownership	HOME	HTF	9% HTC	4% HTC	MF Bond	MF Direct Loan	Section 8	Section 811 PRA	Total
Rental Assistance	0	666	0	0	0	0	0	998	14	1,678
Rental New Construction	0	0	0	4,093	2,204	-*	28	0	0	6,325
Rental Rehabilitation	0	0	0	491	3,029	-*	49	0	0	3,569
Owner Financing & Down Payment	5,870	11	1	0	0	0	0	0	0	5,882
Owner Rehabilitation Assistance	0	120	124	0	0	0	0	0	0	244
Single Family Development	0	4	66	0	0	0	0	0	0	70
Total	5,870	801	191	4,584	5,233	-*	77	998	14	17,768

* If a property was funded by multiple programs, the number of households served will only appear in the 9% or 4% tax credit household columns in order to prevent double counting. Under MF Bond, "-" is reported as opposed to zero because households were served, but they are reported under HTC.

Funding by Activity and Housing Program, FY 2017

Activity	SF Home-ownership	HOME	HTF	9% HTC	4% HTC	MF Bond	MF Direct Loan	Section 8	Section 811 PRA	Total
Rental Assistance	$0	$2,656,822	$0	$0	$0	$0	$0	$10,950,913	$60,386	$13,668,121
Rental New Construction	$0	$0	$0	$49,023,524	$9,610,627	$16,000,000	$12,835,000	$0	$0	$87,469,151
Rental Rehabilitation	$0	$0	$0	$3,444,785	$12,360,696	$5,620,000	$2,300,000	$0	$0	$23,725,481
Owner Financing & Down Payment	$870,405,445	$852,942	$3,500	$0	$0	$0	$0	$0	$0	$871,261,887
Owner Rehabilitation Assistance	$0	$10,879,084	$2,311,952	$0	$0	$0	$0	$0	$0	$13,191,036
Single Family Development	$0	$440,722	$2,834,964	$0	$0	$0	$0	$0	$0	$3,275,686
Total	$870,405,445	$14,829,570	$5,150,416	$52,468,309	$21,971,323	$21,620,000	$15,135,000	$10,950,913	$60,386	$1,012,591,362

The following tables detail households and individuals served and expended funds by activity and program for all Community Affairs programs and Homelessness programs.

ESG, CSBG, and HHSP report based on individuals served as opposed to households. Households and individuals have been added together for totals, though one household can contain multiple individuals. The number of individuals served through CSBG reflects the number of persons served directly through CSBG funding.

Figures for community affairs programs and homelessness programs are based on performance measure definitions and reports submitted to the Legislative Budget Board ("LBB"). SLIHP figures may not match LBB submissions.

Funding and Households ("HH") /Individuals ("IND") Served by Community Affairs Programs and Homelessness Programs, FY 2017

Households and Individuals Served by Activity and Community Affairs Programs and Homelessness Programs, FY 2017

Activity	ESG (IND)	CSBG (IND)	CEAP (HH)	WAP (HH)	HHSP (IND)	Total
Energy Related Assistance	0	0	134,465	3,349	0	137,814
Supportive Services	0	492,727	0	0	0	492,727
Homeless Services	28,706	0	0	0	7,849	36,555
Total	28,706	492,727	134,465	3,349	7,849	667,096

Funding by Activity and Community Affairs Programs and Homelessness Programs, FY 2017

Activity	ESG	CSBG	CEAP	WAP	HHSP	Total
Energy Related Assistance	$0	$0	$94,482,215	$24,379,360	$0	$118,861,575
Supportive Services	$0	$31,237,527	$0	$0	$0	$31,237,527
Homeless Services	$8,977,678	$0	$0	$0	$6,031,804	$15,009,483
Total	$8,977,678	$31,237,527	$94,482,215	$24,379,360	$6,031,804	$165,108,584

FUNDING AND HOUSEHOLDS AND INDIVDIUALS 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”): At or below 30% Area Median Family Income (“AMFI”)
- Very Low Income (“VLI”): Greater than 30% and less than or equal to 60% AMFI
- Low Income (“LI”): Greater than 60% and less than or equal to 80% AMFI
- Moderate Income and Up (“MI”): Greater than or equal to 80% AMFI

The vast majority of households and individuals served through CEAP, CSBG, ESG, HHSP, and WAP earn less than or equal to 30% of the AMFI. However, tracking of assistance from CEAP, CSBG, 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. As a result, the VLI category has a significantly larger amount of total expended funds and households/individuals served than other income categories.

In the following tables, households and individuals have been added together for totals, though one household can contain multiple individuals.

FUNDING AND HOUSEHOLDS/PERSONS SERVED BY INCOME CATEGORY, FY 2017

All Activities

Income Category	Expended Funds	% of Total Expended Funds	Number of Households/ Individuals Served	% of Total Households/ Individuals Served
ELI (≤30% AMFI)	$26,226,725	2%	1,472	0.21%
VLI (>30%, ≤60% AMFI)	$510,594,215	43%	679,358	99.20%
LI (>60%, ≤80% AMFI)	$344,149,384	29%	2,276	0.33%
MI (>80% AMFI)	$296,729,621	25%	1,758	0.26%
Total	$1,177,699,946	100%	684,864	100.00%

Households Served by Income Category and Housing Program, FY 2017

Income Category	SF Home-ownership	HOME	HTF	9% HTC	4% HTC	MF Bond	MF Direct Loan	Section 8	Section 811 PRA	Total
ELI (≤30% AMFI)	87	493	49	515	11	0	7	296	14	1,472
VLI (>30%, ≤60% AMFI)	1,830	286	120	4,069	5,222	-	70	665	0	12,262
LI (>60%, ≤80% AMFI)	2,195	22	22	0	0	0	0	37	0	2,276
MI (>80% AMFI)	1,758	0	0	0	0	0	0	0	0	1,758
Total	5,870	801	191	4,584	5,233	-	77	998	14	17,768

* If a property was funded by multiple programs, the number of households served will only appear in the 9% or 4% tax credit household columns in order to prevent double counting. Under MF Bond, "-" is reported as opposed to zero because households were served, but they are reported under HTC.

Funding by Income Category and Housing Program, FY 2017

Income Category	SF Home-ownership	HOME	HTF	9% HTC	4% HTC	MF Bond	MF Direct Loan	Section 8	Section 811 PRA	Total
ELI (≤30% AMFI)	$7,897,581	$5,143,101	$1,051,816	$5,871,284	$42,991	$0	$2,257,235	$3,902,331	$60,386	$26,226,725
VLI (>30%, ≤60% AMFI)	$226,783,724	$8,500,270	$3,648,708	$46,597,025	$21,928,332	$21,620,000	$9,677,765	$6,729,807	$0	$345,485,631
LI (>60%, ≤80% AMFI)	$338,994,518	$1,186,199	$449,893	$0	$0	$0	$3,200,000	$318,775	$0	$344,149,384
MI (>80% AMFI)	$296,729,621	$0	$0	$0	$0	$0	$0	$0	$0	$296,729,621
Total	$870,405,445	$14,829,570	$5,150,416	$52,468,309	$21,971,323	$21,620,000	$15,135,000	$10,950,913	$60,386	$1,012,591,362

The vast majority of households and individuals served through CEAP, CSBG, ESG, HHSP, and WAP earn less than or equal to 30% of the AMFI. However, as a result of poverty guidelines not aligning well with AMFI-based income categories, assistance for these programs is reported as serving persons in the VLI category. In order to represent the households and individuals receiving assistance through Community Affairs programs and Homelessness programs more accurately, the ELI and VLI categories have been combined in the following tables.

Households and Individuals Served by Income Group and Community Affairs Programs and Homelessness Programs, FY 2017

Income Category	ESG (IND)	CSBG (IND)	CEAP (HH)	WAP (HH)	HHSP (IND)	Total
ELI and VLI (≤60% AMFI)	28,706	492,727	134,465	3,349	7,849	667,096
LI (>60%, ≤80% AMFI)	0	0	0	0	0	0
MI (>80% AMFI)	0	0	0	0	0	0
Total	28,706	492,727	134,465	3,349	7,849	667,096

Funding by Income Group and Community Affairs Programs and Homelessness Programs, FY 2017

Income Category	ESG	CSBG	CEAP	WAP	HHSP	Total
ELI and VLI (≤60% AMFI)	$8,977,678	$31,237,527	$94,482,215	$24,379,360	$6,031,804	$165,108,584
LI (>60%, ≤80% AMFI)	$0	$0	$0	$0	$0	$0
MI (>80% AMFI)	$0	$0	$0	$0	$0	$0
Total	$8,977,678	$31,237,527	$94,482,215	$24,379,360	$6,031,804	$165,108,584

RACIAL AND ETHNIC COMPOSITION OF HOUSEHOLDS AND INDIVIDUALS RECEIVING ASSISTANCE

As required by Tex. Gov't 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 presented separately. Persons of Hispanic origin may fall under any of the racial classifications. Households and individuals assisted through each TDHCA program or activity have been delineated according to these categories. Regional analyses of this racial data for housing programs are included in the Statement of Activities by Region section that follows. Racial and ethnic data for community affairs and homelessness programs is not available at a regional level. Note that the State population racial composition data are measured by individuals, while many program racial composition data are measured by households. Racial and ethnic data is not available for all individuals and households served.

Racial Composition of the State of Texas

Race	Individuals	Percent
Black	3,152,917	11.9%
White	19,874,610	74.9%
Other	3,511,087	13.2%
Total	26,538,614	100.0%

Ethnic Composition of the State of Texas

Ethnicity	Individuals	Percent
Hispanic	10,196,367	38.4%
Non-Hispanic	16,342,247	61.6%
Total	26,538,614	100.0%

Source: 2011-2015 American Community Survey 5-Year Estimates, Table DP05.

HOUSING PROGRAMS

Racial and ethnic data on housing programs is presented in this section using two general categories: Renter Programs and Homeowner Programs.

Renter Programs

The following tables depict the racial and ethnic composition of households receiving assistance from all TDHCA renter programs.

Multifamily properties have received funding or assistance through one or more TDHCA programs. Racial and ethnic 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 2017 report is a snapshot of property characteristics on December 31, 2016. The race and ethnicity of households in the entire portfolio of the 9% HTC, 4% HTC, MF Direct Loan, and the MF Bond program are reported as opposed to just those served in FY 2017. As a result, the number of households reported by race and ethnicity differ from those reported by activity and program or by income group. 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. 16,851 TDHCA-assisted renter households identified as "unknown" race and 16,772 households identified as "unknown" ethnicity for FY 2017.

Racial Composition of TDHCA-Assisted Renter Households

Race	HHs	Percent
Black	74,458	34%
White	110,688	51%
Other	14,591	7%
Unknown	16,851	8%
Total	216,588	100%

Ethnic Composition of TDHCA-Assisted Renter Households

Ethnicity	HHs	Percent
Hispanic	71,805	33%
Non-Hispanic	128,011	59%
Unknown	16,772	8%
Total	216,588	100%

Homeowner Programs

The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA homeowner programs. Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category and reported separately under "Single Family Homeownership." The Homeownership Division reported 72 households that identified as "unknown" under race and ethnicity.

Racial Composition of HOME and HTF Program Owner Households

Race	HHs	Percent
Black	89	27%
White	172	53%
Other	65	20%
Total	326	100%

Ethnic Composition of HOME and HTF Program Owner Households

Ethnicity	HHs	Percent
Hispanic	150	46%
Non-Hispanic	176	54%
Total	326	100%

Racial & Ethnic Composition of Single Family Homeownership Households

Ethnicity	Race	HHs	Percent
Hispanic	-	3,196	54%
-	Black	820	14%
-	White	1,534	26%
-	Other	83	1%
-	Asian	165	3%
Unknown	Unknown	72	1%
	Total	5,870	100%

The available data demonstrates that TDHCA's housing programs serve 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 data previously discussed for the State of Texas is reported by individuals and TDHCA's programs report by household. For instance, TDHCA programs that serve renters and homeowner programs serve higher percentages of Black and Hispanic households than the percentage of those populations in the State of Texas.

COMMUNITY AFFAIRS PROGRAMS

While Community Affairs programs allocate funding to subrecipient entities covering all 254 counties in Texas, their service areas differ from the TDHCA state service regains, covering only part of a region or spanning across two or more uniform TDHCA state service regions, so racial data for these programs are reported by entity rather than by region. Racial and ethnic composition for the state is available, but because this data does not align with regional boundaries, regional data are not available. Racial and ethnic composition of all households in the state served by Community Affairs programs in FY 2017 is reported in this section. Detailed information on subrecipients by allocation and county, including maps of subrecipient service areas, is available in Appendix C of this document.

Due to the data reporting techniques of the Weatherization Assistance Program ("WAP") and Comprehensive Energy Assistance Program ("CEAP") , race and ethnicity are combined into one category. Note that some entities may have served a slightly different set of counties under different contracts and may have served the same county in different periods within the fiscal year.

For the following WAP data, performance figures represent the number of weatherization units from the Department's DOE and LIHEAP Weatherization programs. Units receiving both Department of Energy and Low Income Housing Energy Assistance Program funding may be double counted.

Racial and Ethnic Composition of WAP Assisted Households Statewide, 2017

Ethnicity	Race	HHs	Percent
Hispanic	-	1,271	38%
-	Black	917	27%
-	White	1,009	30%
-	Other	152	5%
	Total	3,349	100%

Racial and Ethnic Composition of CEAP-Assisted Households Statewide, FY 2017

Ethnicity	Race	HHs	Percent
Hispanic	-	49,271	37%
-	Black	50,723	38%
-	White	29,685	22%
-	Other	4,786	4%
	Total	134,465	100%

CSBG reported 232,878 individuals that identified as "unknown" under race and ethnicity.

Racial and Ethnic Composition of Individuals Receiving CSBG Assistance Statewide FY 2017

Racial Composition

Race	Individuals	Percent
Black	67,254	14%
White	181,857	37%
Other	10,738	2%
Unknown	232,878	47%
Total	492,727	100%

Ethnic Composition

Ethnicity	Individuals	Percent
Hispanic	144,740	29%
Non-Hispanic	115,109	23%
Unknown	232,878	47%
Total	492,727	100%

HOMELESSNESS PROGRAMS

TDHCA's Homelessness programs allocate funding to subrecipient entities with service areas that span two or more uniform TDHCA state service regions, so racial data for these programs are reported by entity rather than by region. Racial and ethnic composition for the state is available, but because this data does not align with regional boundaries, regional data are not available. Racial and ethnic composition of all households in the state served by Homelessness programs in FY 2017 is reported in this section. Detailed information on subrecipients by allocation and county, including maps of subrecipient service areas, is available in Appendix C of this document.

The Emergency Solutions Grant ("ESG") and Homeless Housing and Services Program ("HHSP") report race and ethnicity as two separate categories. Note that some entities may have served a slightly different set of counties under different contracts and may have served the same county in different periods within the fiscal year. Detailed information on subrecipients by allocation and county, including maps of subrecipient service areas, is available in Appendix C of this document.

ESG reported negative 1,224 individuals that identified as "unknown" ethnicity for FY 2017. Negative amounts such as this reflect adjustments from figures previously submitted from subrecipient organizations in monthly and annual performance reports to TDHCA.

Racial Composition of Individuals Receiving ESG Assistance Statewide, FY 2017

Race	Individuals	Percent
Black	10,101	35%
White	16,788	58%
Other	1,817	6%
Total	28,706	100%

Ethnic Composition of Individuals Receiving ESG Assistance Statewide, FY 2017

Ethnicity	Individuals	Percent
Hispanic	10,066	35%
Non-Hispanic	19,864	69%
Unknown	-1,224*	-4%*
Total	28,706	100%

*Negative amounts reflect adjustments from figures previously submitted.

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 with populations larger than 285,500 persons, per the latest U.S. Census data, currently the eight largest cities in Texas. Cities may either use these funds themselves or may elect to subgrant 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 reported 19 individuals that identified as "unknown" ethnicity for FY 2017.

Racial Composition of Individuals Receiving HHSP Assistance, Statewide, FY 2017

Race	Individuals	Percent
Black	3,238	41%
White	4,236	54%
Other	375	5%
Total	7,849	100%

Ethnic Composition of Individuals Receiving HHSP Assistance, Statewide, FY 2017

Ethnicity	Individuals	Percent
Hispanic	2,814	36%
Non-Hispanic	5,016	64%
Unknown	19	0.2%
Total	7,849	100%

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.

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 1,455,819 low-income (≤80% AMFI) renter households with housing problems and 941,349 low-income owner households with housing problems, such as a cost burden, lack of kitchen or plumbing, and overcrowding. These 2,397,168 households equate to approximately 26.6% of all 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.

TDHCA housing assistance programs are targeted to assist low-income renter and owner households with housing problems. In FY 2017 TDHCA housing programs served 17,768, or 0.7% of Texas low-income households with housing problems. This small percentage indicates the magnitude of housing need in Texas. Looking at the entire TDHCA portfolio, which includes households that started receiving housing assistance prior to FY 2017 and continued to receive housing assistance through FY 2017 and beyond, 222,779 households were served Department activities in FY 2017 and the entire TDHCA multifamily portfolio combined, or 9.3% of Texas low-income households with housing problems.

Community Affairs programs address a variety of needs through activities categorized as either energy assistance or supportive services. Total assistance provided through TDHCA Community Affairs Programs served 137,814 households and 492,727 individuals in FY 2017. Community Affairs programs primarily serve individuals at or below 125% of the poverty level. According to the 2011-2015 ACS, there are 5,880,611 individuals in Texas at or below 125% of the poverty level. HUD indicates that there are 907,033 very low income (≤30% AMFI) households with housing problems in

Texas. In FY 2017 Community Affairs programs served 8.4% of eligible individuals for poverty related assistance and 15.2% of very low income households eligible for energy assistance.

Homelessness programs serve individuals at risk of or currently experiencing homelessness. A data set representing this population is not readily available. According to the 2011-2015 ACS, there are 4,472,451 individuals in Texas at or below 100% of the poverty level, which is a factor in homelessness programs allocation formulas. Homelessness programs served 36,555 individuals or 0.8% of individuals below the poverty level. However, not all persons below poverty are eligible for homelessness assistance.

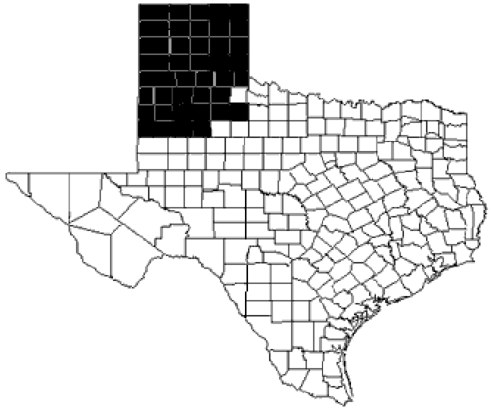
STATEMENT OF ACTIVITIES BY UNIFORM STATE SERVICE REGION

This section describes TDHCA's FY 2017 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, Bootstrap, through administered by OCI, is funded and reported under HTF. HOME funding for new construction and rehabilitation of renter housing is funneled through and reported under MF Direct Loan.

As required by Texas Government Code §2306.072(c)(5), TDHCA reports on the racial composition of individuals and households receiving assistance. Because TDHCA does not accept applications directly from applicants 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 2017. Single Family Homeownership, HOME, HTF, Section 811 PRA, and Section 8 program awards are the same as the actual households served in FY 2017. HTC, MF Direct Loan, and MF Bond program awards represent a commitment made in FY 2017 to serve households. Racial and ethnic data for the latter programs represent the entire Department portfolio, meaning households served in FY 2017 with previous years' awards. Therefore, the racial and ethnic tables will not correlate with the activity type or income group tables for each region.

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 the "Statement of Activities" section.

REGION 1



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	915	17%	0	0%	1	6%
	White	3,183	59%	12	100%	8	44%
	Other	356	7%	0	0%	0	0%
	Unknown	925	17%	0	0%	-	-
by Ethnicity	Hispanic	1,640	30%	12	100%	9	50%
	Non-Hispanic	2,898	54%	0	0%	0	0%
	Unknown	841	16%	0	0%	0	0%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

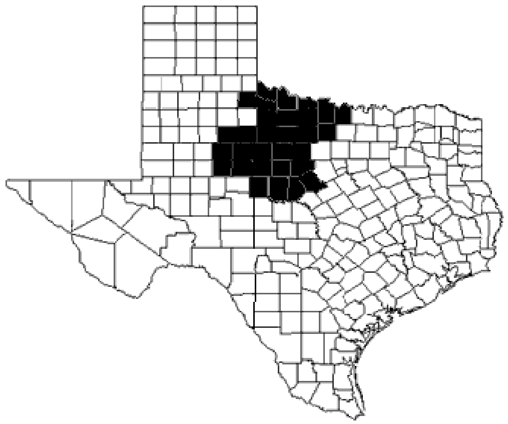
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$2,052,628	18	$1,144,253	12	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$0	0	$0	0	$2,369,865	214	$0	0	$0	0	$700,000	-	$0	0	$0	0
Total	$2,052,628	18	$1,144,253	12	$0	0	$2,369,865	214	$0	0	$0	0	$700,000	-	$0	0	$0	0

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$144,219	1	$381,523	4	$0	0	$224,029	20	$0	0	$0	0	$116,667	-	$0	0	$0	0
31-60% AMFI	$703,254	8	$762,730	8	$0	0	$2,145,836	194	$0	0	$0	0	$583,333	-	$0	0	$0	0
61-80% AMFI	$399,571	3	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
>80% AMFI	$805,584	6	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$2,052,628	18	$1,144,253	12	$0	0	$2,369,865	214	$0	0	$0	0	$700,000	-	$0	0	$0	0

TDHCA's housing programs allocated $5,566,747 in Region 1 during FY 2017 and served 244 households. Homeowner programs received more funding than renter programs, through renter programs served more households. The very low-income households group (31%-60% AMFI) received the majority of funding and had the greatest number of households served.

REGION 2



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	521	15%	0	0%	1	7%
	White	2,609	73%	7	88%	6	40%
	Other	158	4%	1	13%	1	7%
	Unknown	268	8%	0	0%	-	-
by Ethnicity	Hispanic	580	16%	5	63%	7	47%
	Non-Hispanic	2,664	75%	3	38%	0	0%
	Unknown	312	9%	0	0%	0	0%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

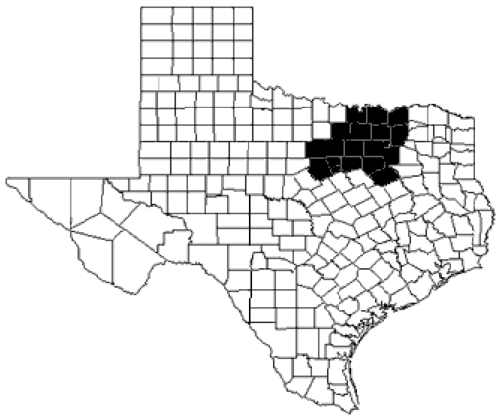
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$1,367,850	15	$667,231	7	$19,718	1	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$295,815	72	$0	0	$1,055,000	96	$0	0	$0	0	$1,000,000	-	$65,154	6	$0	0
Total	$1,367,850	15	$963,046	79	$19,718	1	$1,055,000	96	$0	0	$0	0	$1,000,000	-	$65,154	6	$0	0

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$0	0	$429,281	52	$0	0	$154,641	14	$0	0	$0	0	$0	0	$24,540	1	$0	0
31-60% AMFI	$569,555	8	$434,735	25	$0	0	$900,359	82	$0	0	$0	0	$1,000,000	-	$40,614	5	$0	0
61-80% AMFI	$344,420	2	$99,031	2	$19,718	1	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
>80% AMFI	$453,875	5	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$1,367,850	15	$963,046	79	$19,718	1	$1,055,000	96	$0	0	$0	0	$1,000,000	-	$65,154	6	$0	0

TDHCA's housing programs allocated $3,470,767 in Region 2 during FY 2017 and served 197 households. Homeowner programs received more funding than renter programs, through renter programs served more households. The very low-income households group (31%-60% AMFI) received the majority of funding and had the greatest number of households served.

REGION 3



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	27,096	45%	7	21%	225	20%
	White	23,583	39%	10	29%	366	33%
	Other	4,997	8%	17	50%	53	5%
	Unknown	4,171	7%	0	0%	-	-
by Ethnicity	Hispanic	11,720	20%	6	18%	454	41%
	Non-Hispanic	43,739	73%	28	82%	0	0%
	Unknown	4,388	7%	0	0%	15	1%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

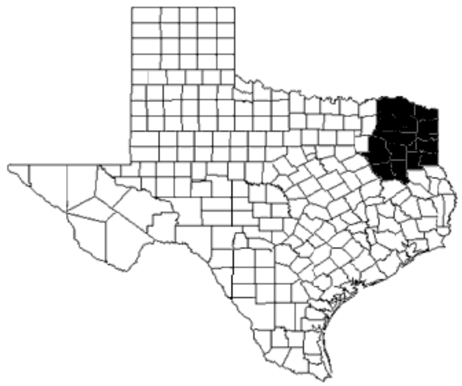
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$171,428,550	1,113	$486,145	6	$1,152,123	28	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$199,002	44	$0	0	$9,938,080	853	$4,643,073	1,511	$0	0	$5,000,000	28	$2,454,026	233	$26,907	3
Total	$171,428,550	1,113	$685,147	50	$1,152,123	28	$9,938,080	853	$4,643,073	1,511	$0	0	$5,000,000	28	$2,454,026	233	$26,907	3

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$1,483,252	21	$224,746	27	$137,838	4	$1,050,606	92	$0	0	$0	0	$1,125,000	7	$789,921	66	$26,907	3
31-60% AMFI	$38,877,396	339	$342,571	20	$978,286	22	$8,887,474	761	$4,643,073	1,511	$0	0	$3,875,000	21	$1,538,426	156	$0	0
61-80% AMFI	$66,408,856	396	$117,830	3	$36,000	2	$0	0	$0	0	$0	0	$0	0	$125,679	11	$0	0
>80% AMFI	$64,659,046	357	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$171,428,550	1,113	$685,147	50	$1,152,123	28	$9,938,080	853	$4,643,073	1,511	$0	0	$5,000,000	28	$2,454,026	233	$26,907	3

TDHCA's housing programs allocated $190,301,000 in Region 3 during FY 2017 and served 3,788 households. Homeowner programs received more funding than renter programs, through renter programs served more households. The low-income households group (61%-80% AMFI) received the majority of funding, although the very low-income households group (31%-60% AMFI) had the greatest number of households served.

REGION 4



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	3,297	46%	30	61%	2	5%
	White	3,336	46%	19	39%	34	85%
	Other	166	2%	0	0%	1	3%
	Unknown	381	5%	0	0%	-	-
by Ethnicity	Hispanic	334	5%	3	6%	3	8%
	Non-Hispanic	6,469	90%	46	94%	0	0%
	Unknown	377	5%	0	0%	0	0%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

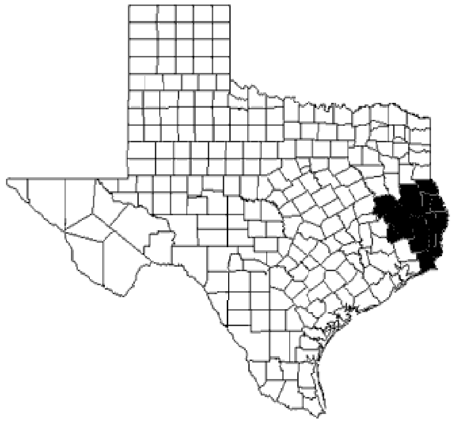
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$4,831,915	40	$2,861,176	32	$341,792	17	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$288,625	98	$0	0	$3,169,236	378	$292,329	92	$0	0	$445,000	-	$0	0	$0	0
Total	$4,831,915	40	$3,149,801	130	$341,792	17	$3,169,236	378	$292,329	92	$0	0	$445,000	-	$0	0	$0	0

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$121,162	2	$997,782	67	$116,217	6	$345,293	42	$0	0	$0	0	$333,750	-	$0	0	$0	0
31-60% AMFI	$1,198,336	11	$1,698,224	56	$205,576	10	$2,823,943	336	$292,329	92	$0	0	$111,250	-	$0	0	$0	0
61-80% AMFI	$1,490,375	12	$453,795	7	$20,000	1	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
>80% AMFI	$2,022,043	15	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$4,831,915	40	$3,149,801	130	$341,792	17	$3,169,236	378	$292,329	92	$0	0	$445,000	-	$0	0	$0	0

TDHCA's housing programs allocated $11,785,074 in Region 4 during FY 2017 and served 657 households. Homeowner programs received more funding than renter programs, through renter programs served more households. The very low-income households group (31%-60% AMFI) received the majority of funding and had the greatest number of households served.

REGION 5



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	4,569	60%	0	0%	14	54%
	White	2,369	31%	1	50%	9	35%
	Other	224	3%	1	50%	0	0%
	Unknown	510	7%	0	0%	-	-
by Ethnicity	Hispanic	325	4%	0	0%	3	12%
	Non-Hispanic	6,790	89%	2	100%	0	0%
	Unknown	557	7%	0	0%	0	0%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

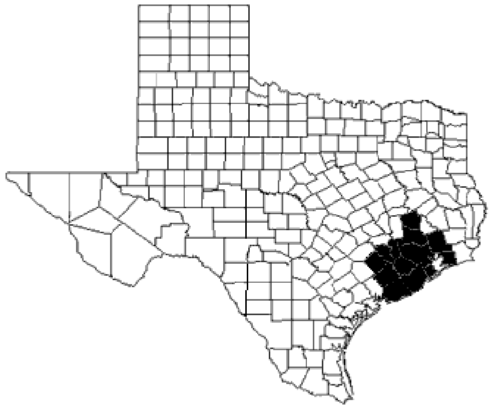
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$3,224,169	26	$0	0	$90,000	2	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$418,072	100	$0	0	$1,744,000	148	$1,277,205	314	$0	0	$0	0	$0	0	$0	0
Total	$3,224,169	26	$418,072	100	$90,000	2	$1,744,000	148	$1,277,205	314	$0	0	$0	0	$0	0	$0	0

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$0	0	$374,767	83	$0	0	$165,531	14	$42,991	11	$0	0	$0	0	$0	0	$0	0
31-60% AMFI	$856,007	8	$43,305	17	$90,000	2	$1,578,469	134	$1,234,214	303	$0	0	$0	0	$0	0	$0	0
61-80% AMFI	$1,199,807	9	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
>80% AMFI	$1,168,354	9	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$3,224,169	26	$418,072	100	$90,000	2	$1,744,000	148	$1,277,205	314	$0	0	$0	0	$0	0	$0	0

TDHCA's housing programs allocated $6,753,446 in Region 5 during FY 2017 and served 590 households. Renter programs received more funding and served more households than homeowner programs. The very low-income households group (31%-60% AMFI) received the majority of funding and had the greatest number of households served.

REGION 6



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	27,370	48%	20	65%	389	22%
	White	21,753	38%	8	26%	374	21%
	Other	4,465	8%	3	10%	96	5%
	Unknown	3,532	6%	0	0%	-	-
by Ethnicity	Hispanic	13,969	24%	3	10%	868	49%
	Non-Hispanic	39,768	70%	28	90%	0	0%
	Unknown	3,383	6%	0	0%	28	2%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

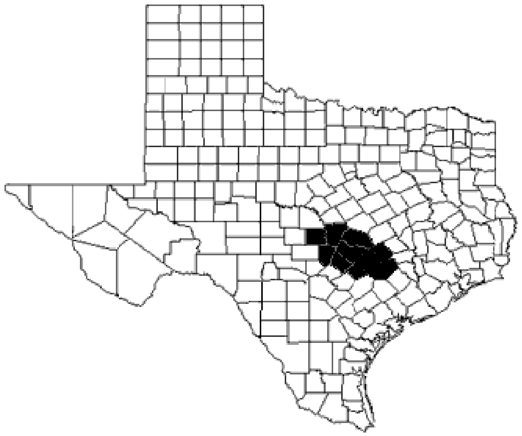
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$270,072,134	1,755	$1,439,856	17	$243,949	14	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$34,025	17	$0	0	$5,788,712	477	$0	0	$0	0	$0	0	$5,824,028	531	$8,964	2
Total	$270,072,134	1,755	$1,473,881	34	$243,949	14	$5,788,712	477	$0	0	$0	0	$0	0	$5,824,028	531	$8,964	2

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$1,675,704	15	$246,419	10	$54,527	3	$583,355	48	$0	0	$0	0	$0	0	$2,067,962	153	$8,964	2
31-60% AMFI	$63,875,517	484	$1,023,234	22	$154,024	9	$5,205,357	429	$0	0	$0	0	$0	0	$3,605,735	358	$0	0
61-80% AMFI	$111,195,599	725	$204,228	2	$35,397	2	$0	0	$0	0	$0	0	$0	0	$150,331	20	$0	0
>80% AMFI	$93,325,315	531	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$270,072,134	1,755	$1,473,881	34	$243,949	14	$5,788,712	477	$0	0	$0	0	$0	0	$5,824,028	531	$8,964	2

TDHCA's housing programs allocated $283,402,704 in Region 6 during FY 2017 and served 2,811 households. Homeowner programs received more funding and served more households than renter programs. The low-income households group (61%-80% AMFI) received the majority of funding, although the very low-income households group (31%-60% AMFI) had the greatest number of households served.

REGION 7



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	3,819	18%	12	23%	125	11%
	White	12,384	58%	31	58%	457	39%
	Other	1,802	8%	10	19%	72	6%
	Unknown	3,489	16%	0	0%	-	-
by Ethnicity	Hispanic	7,663	36%	22	42%	490	42%
	Non-Hispanic	10,477	49%	31	58%	0	0%
	Unknown	3,354	16%	0	0%	22	2%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

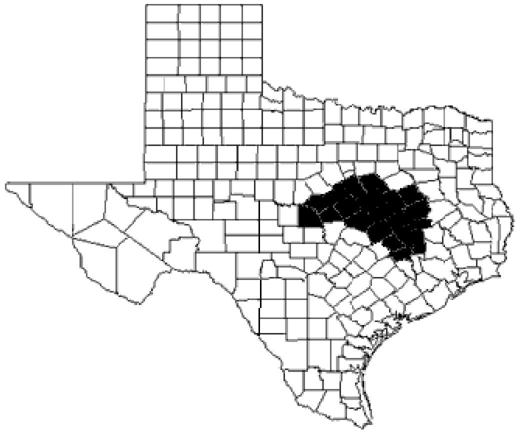
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$178,344,137	1,166	$95,352	1	$1,161,978	52	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$113,451	25	$0	0	$6,850,183	665	$5,146,541	1,167	$16,000,000	-	$4,590,000	-	$622,900	62	$17,339	4
Total	$178,344,137	1,166	$208,803	26	$1,161,978	52	$6,850,183	665	$5,146,541	1,167	$16,000,000	-	$4,590,000	-	$622,900	62	$17,339	4

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$681,069	4	$76,024	18	$375,220	19	$919,017	90	$0	0	$0	0	$321,818	-	$155,096	18	$17,339	4
31-60% AMFI	$38,752,509	301	$132,779	8	$628,249	25	$5,931,166	575	$5,146,541	1,167	$16,000,000	-	$1,068,182	-	$433,871	40	$0	0
61-80% AMFI	$74,148,758	473	$0	0	$158,509	8	$0	0	$0	0	$0	0	$3,200,000	-	$33,933	4	$0	0
>80% AMFI	$64,761,800	388	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$178,344,137	1,166	$208,803	26	$1,161,978	52	$6,850,183	665	$5,146,541	1,167	$16,000,000	-	$4,590,000	-	$622,900	62	$17,339	4

TDHCA's housing programs allocated $208,334,542 in Region 7 during FY 2017 and served 3,138 households. Homeowner programs received more funding than renter programs, through renter programs served more households. The low-income households group (61%-80% AMFI) received the majority of funding, although the very low-income households group (31%-60% AMFI) had the greatest number of households served.

REGION 8



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	2,602	42%	6	35%	19	17%
	White	3,028	48%	2	12%	59	51%
	Other	312	5%	9	53%	0	0%
	Unknown	306	5%	0	0%	-	-
by Ethnicity	Hispanic	865	14%	7	41%	36	31%
	Non-Hispanic	5,117	82%	10	59%	0	0%
	Unknown	266	4%	0	0%	1	1%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

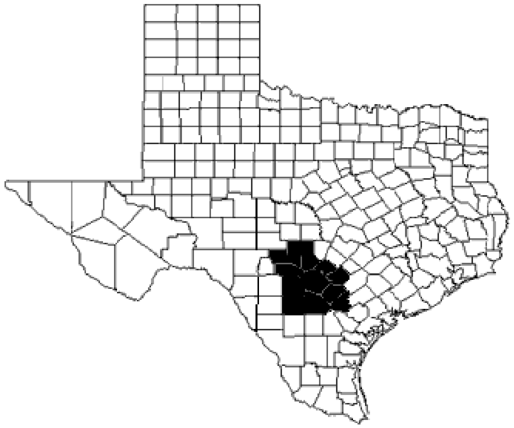
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$13,983,813	115	$306,324	5	$514,910	12	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$65,161	31	$0	0	$3,292,274	265	$0	0	$0	0	$0	0	$221,727	28	$0	0
Total	$13,983,813	115	$371,485	36	$514,910	12	$3,292,274	265	$0	0	$0	0	$0	0	$221,727	28	$0	0

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$455,401	5	$136,338	19	$0	0	$476,038	37	$0	0	$0	0	$0	0	$101,703	10	$0	0
31-60% AMFI	$3,566,165	35	$126,833	13	$495,000	11	$2,816,236	228	$0	0	$0	0	$0	0	$120,024	18	$0	0
61-80% AMFI	$6,214,661	44	$108,314	4	$19,910	1	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
>80% AMFI	$3,747,585	31	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$13,983,813	115	$371,485	36	$514,910	12	$3,292,274	265	$0	0	$0	0	$0	0	$221,727	28	$0	0

TDHCA's housing programs allocated $18,384,208 in Region 8 during FY 2017 and served 456 households. Homeowner programs received more funding than renter programs, through renter programs served more households. The very low-income households group (31%-60% AMFI) received the majority of funding and had the greatest number of households served.

REGION 9



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	2,957	15%	4	20%	35	6%
	White	13,480	68%	9	45%	158	27%
	Other	1,410	7%	7	35%	19	3%
	Unknown	1,877	10%	0	0%	-	-
by Ethnicity	Hispanic	11,488	58%	15	75%	378	63%
	Non-Hispanic	6,355	32%	5	25%	0	0%
	Unknown	1,881	23%	0	0%	6	1%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

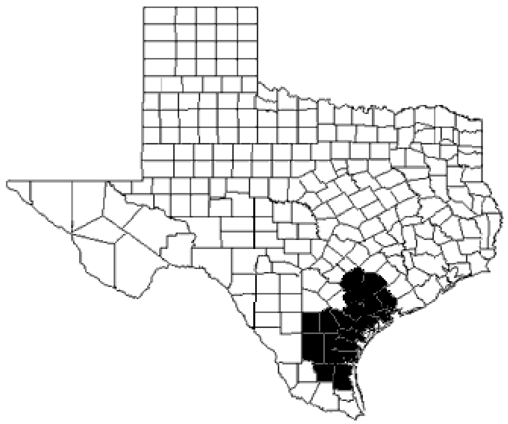
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$93,185,402	596	$666,063	7	$256,724	13	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$609,492	122	$0	0	$5,278,077	368	$808,526	252	$0	0	$0	0	$1,730,896	134	$0	0
Total	$93,185,402	596	$1,275,555	129	$256,724	13	$5,278,077	368	$808,526	252	$0	0	$0	0	$1,730,896	134	$0	0

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$0	0	$683,424	90	$98,705	5	$617,979	43	$0	0	$0	0	$0	0	$763,109	48	$0	0
31-60% AMFI	$23,547,100	170	$589,201	38	$138,357	7	$4,660,098	325	$808,526	252	$0	0	$0	0	$958,955	84	$0	0
61-80% AMFI	$33,282,776	210	$2,930	1	$19,662	1	$0	0	$0	0	$0	0	$0	0	$8,832	2	$0	0
>80% AMFI	$36,355,526	216	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$93,185,402	596	$1,275,555	129	$256,724	13	$5,278,077	368	$808,526	252	$0	0	$0	0	$1,730,896	134	$0	0

TDHCA's housing programs allocated $102,535,180 in Region 9 during FY 2017 and served 1,492 households. Homeowner programs received more funding than renter programs, through renter programs served more households. The moderate-income households group (>80% AMFI) received the majority of funding, although the very low-income households group (31%-60% AMFI) had the greatest number of households served.

REGION 10



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	580	10%	9	32%	2	3%
	White	4,926	81%	19	68%	19	32%
	Other	178	3%	0	0%	2	3%
	Unknown	418	7%	0	0%	-	-
by Ethnicity	Hispanic	4,019	66%	17	61%	36	61%
	Non-Hispanic	1,655	27%	11	39%	0	0%
	Unknown	428	7%	0	0%	0	0%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

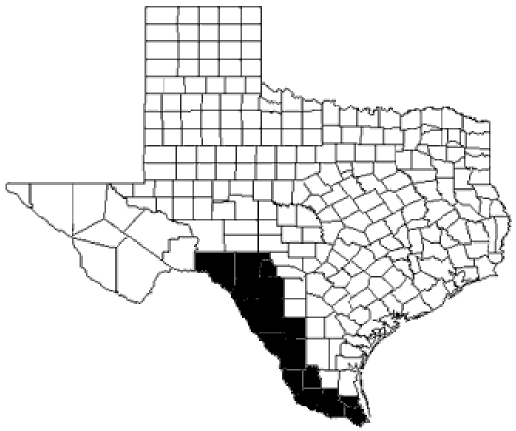
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$6,565,226	59	$2,140,636	23	$143,932	5	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$385,207	86	$0	0	$2,527,200	194	$0	0	$0	0	$2,300,000	49	$32,182	4	$4,503	4
Total	$6,565,226	59	$2,525,843	109	$143,932	5	$2,527,200	194	$0	0	$0	0	$2,300,000	49	$32,182	4	$4,503	4

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$47,130	1	$932,372	67	$0	0	$260,584	20	$0	0	$0	0	$0	0	$0	0	$4,503	4
31-60% AMFI	$2,058,417	25	$1,494,617	41	$105,793	3	$2,266,616	174	$0	0	$0	0	$2,300,000	49	$32,182	4	$0	0
61-80% AMFI	$2,796,344	19	$98,854	1	$38,139	2	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
>80% AMFI	$1,663,336	14	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$6,565,226	59	$2,525,843	109	$143,932	5	$2,527,200	194	$0	0	$0	0	$2,300,000	49	$32,182	4	$4,503	4

TDHCA's housing programs allocated $11,794,383 in Region 10 during FY 2017 and served 371 households. Homeowner programs received more funding than renter programs, through renter programs served more households. The very low-income households group (31%-60% AMFI) received the majority of funding and had the greatest number of households served.

REGION 11



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	57	0%	0	0%	1	0%
	White	11,349	96%	21	64%	10	5%
	Other	101	1%	12	36%	2	1%
	Unknown	337	3%	0	0%	-	-
by Ethnicity	Hispanic	11,159	94%	31	94%	190	94%
	Non-Hispanic	370	3%	2	6%	0	0%
	Unknown	315	3%	0	0%	0	0%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

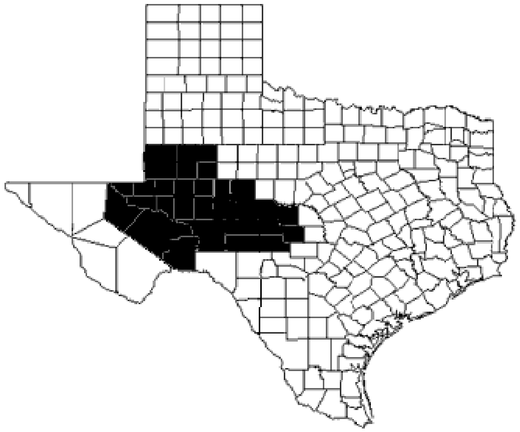
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$27,171,253	203	$700,525	8	$682,878	25	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$37,973	11	$0	0	$5,938,997	527	$0	0	$0	0	$500,000	-	$0	0	$0	0
Total	$27,171,253	203	$738,498	19	$682,878	25	$5,938,997	527	$0	0	$0	0	$500,000	-	$0	0	$0	0

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$510,579	6	$193,989	11	$119,465	7	$617,904	55	$0	0	$0	0	$0	0	$0	0	$0	0
31-60% AMFI	$8,539,031	76	$447,971	7	$500,522	16	$5,321,093	472	$0	0	$0	0	$500,000	-	$0	0	$0	0
61-80% AMFI	$9,971,732	73	$96,538	1	$62,892	2	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
>80% AMFI	$8,149,912	48	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$27,171,253	203	$738,498	19	$682,878	25	$5,938,997	527	$0	0	$0	0	$500,000	-	$0	0	$0	0

TDHCA's housing programs allocated $34,531,627 in Region 11 during FY 2017 and served 774 households. Homeowner programs received more funding than renter programs, through renter programs served more households. The very low-income households group (31%-60% AMFI) received the majority of funding and had the greatest number of households served.

REGION 12



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	458	13%	1	7%	0	0%
	White	2,456	71%	8	57%	6	33%
	Other	127	4%	5	36%	0	0%
	Unknown	394	11%	0	0%	-	-
by Ethnicity	Hispanic	1,776	52%	5	36%	12	67%
	Non-Hispanic	1,249	36%	9	64%	0	0%
	Unknown	410	12%	0	0%	0	0%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

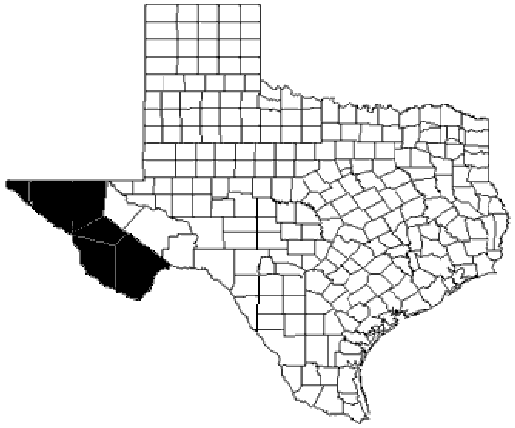
	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$2,216,387	18	$205,040	3	$341,778	11	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$188,610	52	$0	0	$1,534,508	129	$1,023,254	207	$0	0	$600,000	-	$0	0	$0	0
Total	$2,216,387	18	$393,650	55	$341,778	11	$1,534,508	129	$1,023,254	207	$0	0	$600,000	-	$0	0	$0	0

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$0	0	$153,201	37	$109,844	3	$168,212	14	$0	0	$0	0	$360,000	-	$0	0	$0	0
31-60% AMFI	$698,075	7	$235,770	17	$212,244	7	$1,366,296	115	$1,023,254	207	$0	0	$240,000	-	$0	0	$0	0
61-80% AMFI	$809,312	5	$4,679	1	$19,690	1	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
>80% AMFI	$709,000	6	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$2,216,387	18	$393,650	55	$341,778	11	$1,534,508	129	$1,023,254	207	$0	0	$600,000	-	$0	0	$0	0

TDHCA's housing programs allocated $5,509,578 in Region 12 during FY 2017 and served 420 households. Homeowner programs received more funding than renter programs, through renter programs served more households. The very low-income households group (31%-60% AMFI) received the majority of funding and had the greatest number of households served.

REGION 13



Funding/HH Served by Race and Ethnicity

		Renter Programs		HOME and HTF Owner Programs		SF Homeownership Program*	
		HH	%	HH	%	HH	%
by Race	Black	217	3%	0	0%	6	1%
	White	6,232	89%	25	100%	28	4%
	Other	295	4%	0	0%	2	0%
	Unknown	243	3%	0	0%	-	-
by Ethnicity	Hispanic	6,267	90%	24	96%	710	95%
	Non-Hispanic	460	7%	1	4%	0	0%
	Unknown	260	4%	0	0%	0	0%

*Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category

Funding/HHs Served by Activity Type

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Owner Programs	$95,961,980	746	$1,460,147	14	$200,634	11	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Renter Programs	$0	0	$21,389	8	$0	0	$2,982,177	270	$8,780,395	1,690	$5,620,000	-	$0	0	$0	0	$2,673	1
Total	$95,961,980	746	$1,481,536	22	$200,634	11	$2,982,177	270	$8,780,395	1,690	$5,620,000	-	$0	0	$0	0	$2,673	1

Funding/HH Served by Income Category

	SF Homeownership		HOME		HTF		HTC 9%		HTC 4%		MF Bond		MF Direct Loan		Section 8		Section 811	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
<30% AMFI	$2,779,065	32	$313,235	8	$40,000	2	$288,096	26	$0	0	$0	0	$0	0	$0	0	$2,673	1
31-60% AMFI	$43,542,364	358	$1,168,301	14	$140,658	8	$2,694,081	244	$8,780,395	1,690	$5,620,000	-	$0	0	$0	0	$0	0
61-80% AMFI	$30,732,306	224	$0	0	$19,976	1	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
>80% AMFI	$18,908,244	132	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0	0
Total	$95,961,980	746	$1,481,536	22	$200,634	11	$2,982,177	270	$8,780,395	1,690	$5,620,000	-	$0	0	$0	0	$2,673	1

TDHCA's housing programs allocated $115,026,722 in Region 13 during FY 2017 and served 2,739 households. Homeowner programs received more funding than renter programs, through renter programs served more households. The very low-income households group (31%-60% AMFI) received the majority of funding and had the greatest number of households served.

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 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. TDHCA is notified of Fair Housing violations that have been filed with the United States Department of Housing and Urban Development, the Texas Workforce Commission, or the United States Department of Justice, through its Previous Participation reviews, required reporting by monitored properties, and through the Texas Workforce Commission. This information depicts the property data as of December 31 of each year.

Because of the extensive nature of the information, TDHCA provides 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 Tex. Gov't Code §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 (800) 525-0657 or visit http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm.

GEOGRAPHIC DISTRIBUTION OF HOUSING TAX CREDITS

Tex. Gov't Code §2306.111(d) requires that TDHCA use a Regional Allocation Formula ("RAF") to allocate its 9% HTCs to the Uniform State Service Regions it uses for planning purposes. Because of the level of funding and the impact of this program in financing the multifamily development of affordable housing across the state, this section of the Plan discusses the geographical distribution of HTCs.

The Department allocated $83,083,201 in HTCs during the 2017 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 2017 9% and 4% awards. TDHCA received $302,842 in tax credits from the federal pool of unused funds in 2017. There were $337,966 in tax credits from the 2016 HTC cycle year at the end of the calendar year. As of August 31, 2017, there were $255,751 in unused credits remaining for the 2017 HTC cycle; these credits will continue to be allocated through the end of the calendar year if there are sufficient credits to fund fully the next applicant on the Board-approved waitlist.

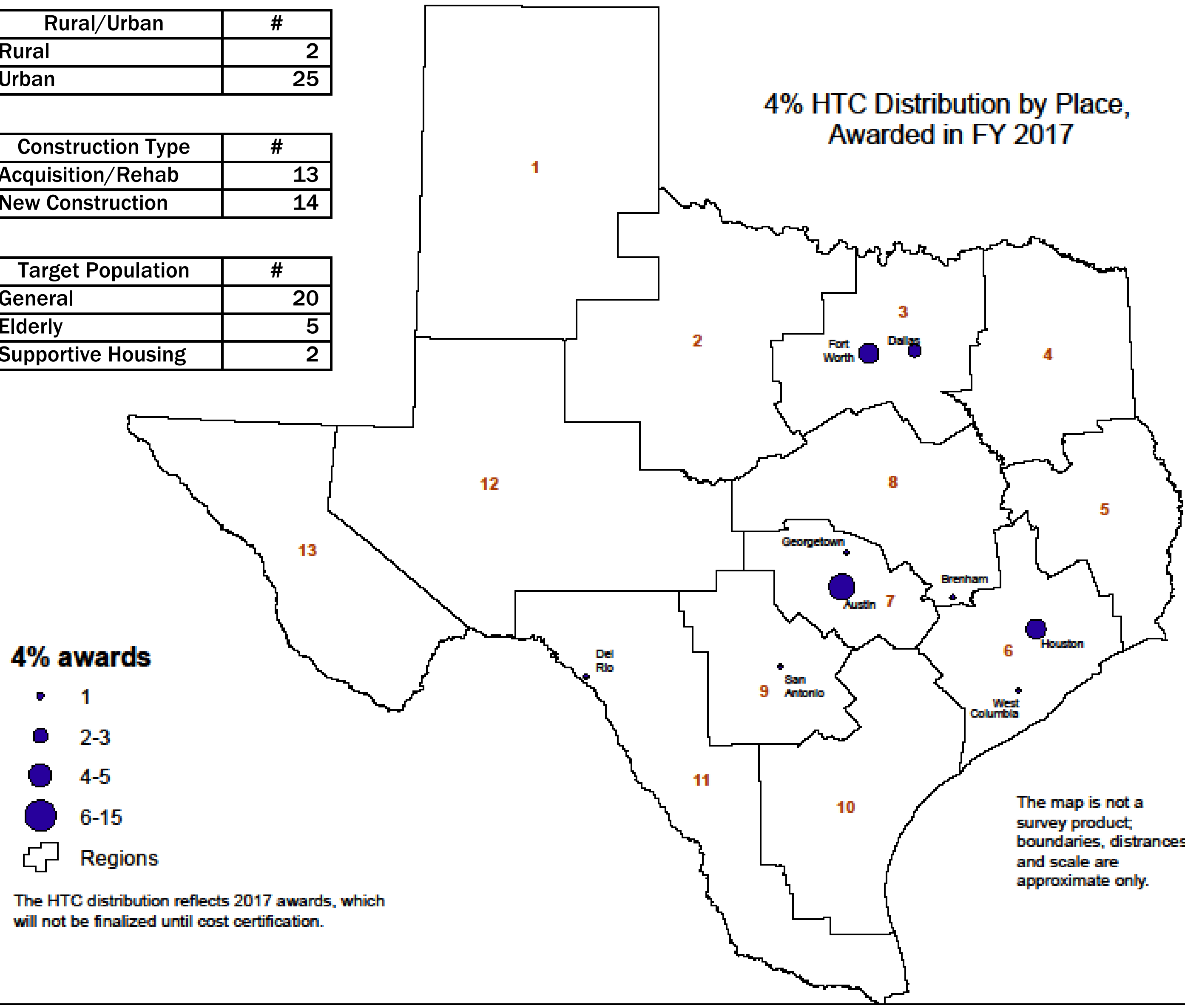
The table below shows the funding distribution of 2017 awards by region and includes the variations between the actual distribution and the 9% HTC RAF targets. The Department plans the credit distributions to match the HTC RAF targets as closely as possible; the RAF targets apply to the 9% HTC program. 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	$1,908,274	2.3%	$0	0.0%	$1,908,274	3.1%	3.5%	-0.4%
2	$2,332,456	2.8%	$0	0.0%	$2,332,456	3.8%	2.0%	1.8%
3	$21,080,871	25.4%	$6,391,745	29.1%	$14,689,126	24.0%	23.6%	0.4%
4	$4,026,258	4.8%	$0	0.0%	$4,026,258	6.6%	4.5%	2.1%
5	$1,940,069	2.3%	$0	0.0%	$1,940,069	3.2%	2.9%	0.3%
6	$16,013,878	19.3%	$4,600,842	20.9%	$11,413,036	18.7%	20.4%	-1.7%
7	$14,641,460	17.6%	$9,007,693	41.0%	$5,633,767	9.2%	8.3%	0.9%
8	$2,318,296	2.8%	$237,607	1.1%	$2,080,689	3.4%	3.3%	0.1%
9	$5,707,139	6.9%	$1,008,700	4.6%	$4,698,439	7.7%	9.2%	-1.5%
10	$2,139,325	2.6%	$0	0.0%	$2,139,325	3.5%	3.3%	0.2%
11	$6,462,683	7.8%	$735,267	3.3%	$5,727,416	9.4%	11.1%	-1.7%
12	$1,573,057	1.9%	$0	0.0%	$1,573,057	2.6%	2.5%	0.1%
13	$2,939,435	3.5%	$0	0.0%	$2,939,435	4.8%	5.4%	-0.6%
Total	**$83,083,201**	**100.0%**	**$21,981,854**	**100.0%**	**$61,101,347**	**100.00%**	**100.0%**	

Rural/Urban	#
Rural	2
Urban	25

Construction Type	#
Acquisition/Rehab	13
New Construction	14

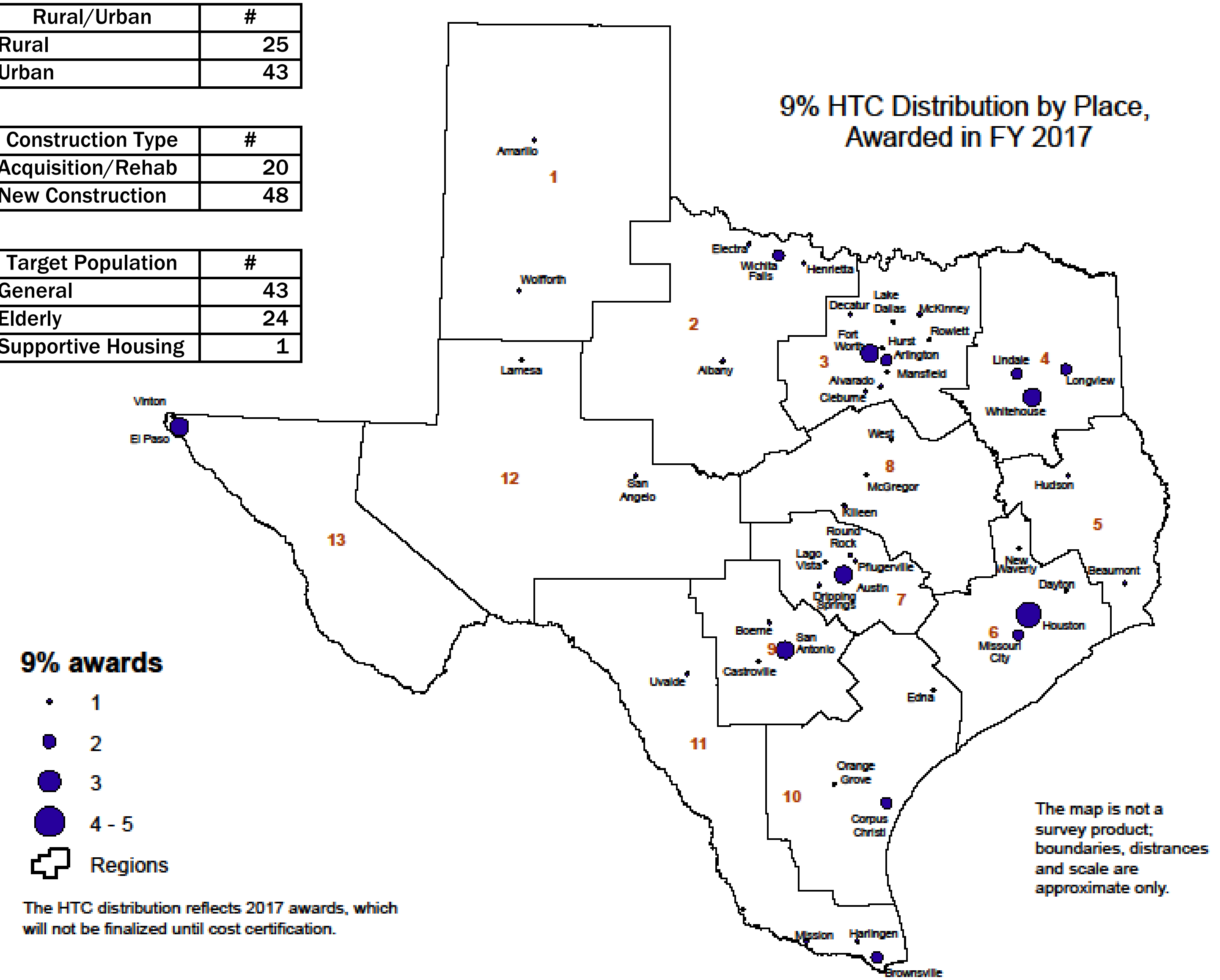
Target Population	#
General	20
Elderly	5
Supportive Housing	2



Rural/Urban	#
Rural	25
Urban	43

Construction Type	#
Acquisition/Rehab	20
New Construction	48

Target Population	#
General	43
Elderly	24
Supportive Housing	1



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 address those underserved needs.

This section of the SLIHP includes the following information per Tex. Gov't Code §2306.072 and §2306.0721:

- A comprehensive statement of the activities of the department during the preceding year to address the needs of special needs populations as required by Tex. Gov't Code §2306.072(c)(2)(D).
- A description of methods to use all available housing resources to address the housing needs of special needs populations by establishing funding levels for all housing-related programs as required by Tex. Gov't Code §2306.0721(c)(2).
- A description of state programs that govern the use of all available housing resources as required by Tex. Gov't Code §2306.0721(c)(4).
- A resource allocation plan targeting all available housing resources to individuals and families of low and very low income and special needs populations as required by Tex. Gov't Code §2306.0721(c)(5).
- Strategies to provide housing for individuals and families with special needs as required by Tex. Gov't Code §2306.0721(c)(7).
- A description of the Department's efforts to encourage incorporation of energy efficient construction and appliances in housing units as required by Tex. Gov't Code §2306.0721(c)(8).
- Strategies for meeting rural housing needs as required by Tex. Gov't Code §2306.0721(c)(11).

This section is organized as follows:

- **2018 TDHCA Programs:** Description of TDHCA's programs organized by division 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 needs of a low-income household
- **Regional Allocation Plans:** Distribution of TDHCA's resources across the 13 State Service Regions
- **Policy Initiatives**: A brief overview of policy initiatives for TDHCA including Fair Housing and Disaster Relief.
- **Special Needs Populations:** Populations that have unique needs related to housing

2018 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.

A list of TDHCA programs and activities available for administrators in State Fiscal Year ("SFY") 2018, organized by their Division, follows:

Community Affairs Division

- Community Services Block Grant ("CSBG") Program
- Comprehensive Energy Assistance Program "(CEAP")
- Housing Choice Voucher Program ("HCVP") (formerly known as "Section 8")
- Weatherization Assistance Program ("WAP")

HOME Investment Partnerships Program ("HOME") and Homeless Programs Division

- Contract for Deed Program ("CFD")
- Single Family Development ("SFD")
- Tenant-Based Rental Assistance ("TBRA")
- Homebuyer Assistance ("HBA")
- Homeowner Rehabilitation Assistance ("HRA")
- Emergency Solutions Grants Program ("ESG")
- Homeless Housing and Services Program ("HHSP")
- Ending Homelessness Fund

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
- Texas Bootstrap Loan Program
- Neighborhood Stabilization Program

Manufactured Housing Division

Multifamily Finance Division

- Housing Tax Credit ("HTC") Program
- Multifamily Bond Program
- Multifamily Direct Loan Program

Section 811 Project Rental Assistance

Texas Homeownership Division

- My First Texas Home Program
- TEXAS Mortgage Credit Certificate ("TX 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"), Housing Choice Voucher Program ("HCVP"), and Weatherization Assistance Program ("WAP").

The Weatherization Program promotes weatherization measures to maximize the potential energy savings of a home. A weatherization specialist from Travis County Health and Human Services updated the attic of a low-income home with R-8 silver flex ducts and adds R-38 loose-fill fiberglass insulation to promote energy efficiency.

COMMUNITY SERVICES BLOCK GRANT PROGRAM

CSBG receives funds from the U.S. Department of Health and Human Services ("USHHS") for CSBG-eligible entities and other human service delivery organizations called Community Action Agencies ("CAAs") to provide program and administrative support funds 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 are an established network of private nonprofit entities or units of local government that have each been designated by the Governor as the CSBG-eligible entity for a specified geographic area. Persons with incomes at or below 125% of the current federal income poverty guidelines issued annually by USHHS are eligible for the program.

Allocations to the CAAs 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.

Up to 5% of the State's CSBG allocation may be used for discretionary activities. Current discretionary activities include (1) providing additional assistance to CSBG eligible entities to provide direct services to clients; (2) supporting assessment, training and technical assistance needs of the CSBG-eligible entities; (3) supporting the state's homelessness coordination in the Balance of State; and (4) setting aside funds for disaster recovery immediate response. 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 5% of the CSBG allocation may be used for administrative purposes by the state. If the full 5% is not needed for administrative purposes, the remainder may be used on a discretionary basis.

CSBG funding for FY 2018 is not known at this time, and will depend on federal funding levels.

CONTACT: For assistance, individuals should contact the local CSBG eligible entity for their county directly, 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% 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 37 CEAP Subrecipients. The subrecipients consist of CAAs, nonprofit entities, and units of local government. CEAP Subrecipients make energy payments for eligible households to energy companies through a vendor agreement with energy providers.

Eligible households may be assisted with Utility Assistance and Household Crisis Assistance benefits, which are the two CEAP assistance components. Benefits are 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.

The targeted beneficiaries of CEAP in Texas are households with an income at or below 150% of federal poverty guidelines, with priority given to aging Texans; persons with disabilities; families with young children; households with the highest energy costs or needs in relation to income (highest home energy burden); and households with high energy consumption.

The allocation formula for CEAP uses the following five factors and corresponding weights to distribute its funds by county; non-elderly poverty household factor (40%); elderly poverty household factor (40%); inverse poverty household density factor (5%); median income variance factor (5%); and weather factor (10%).

CEAP funding for FY 2018 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 Laura Saintey, Community Affairs Division, at 512-475-3854.

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 150% of federal poverty guidelines.

HOUSING CHOICE VOUCHER PROGRAM ("HCVP")

TDHCA serves as a public housing authority and receives funding for the Section 8 Housing Choice Voucher Program from HUD for counties included in TDHCA's PHA Plan. The HCV Program provides rental assistance payments on behalf of low-income individuals and families, including older Texans and persons with disabilities. TDHCA pays approved rent amounts directly to property owners. The HCV Program administers approximately 900 housing choice vouchers. The Department administers vouchers in 34 counties that are not served by similar local or regional housing voucher programs.

Eligible households must have a gross income that does not exceed 50% of HUD's median income guidelines. HUD requires 75% of all new households admitted to the program be at or below 30% AMFI. Eligibility is based on several factors, including the household's income, size and composition, citizenship or satisfactory immigrant status, assets and medical and childcare expenses. Additionally, up to 140 of TDHCA's HCV vouchers are authorized to be 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.

In December 2015, TDHCA was awarded its first Veterans Assistance Supportive Housing ("VASH") project-based contract for 20 units at Freedom's Path in Kerrville. The initiative is a collaboration between TDHCA, the U.S. Department of Veterans Affairs ("VA") and the property owner.

Projected Housing Choice Voucher Program funding for FY 2018 is unknown at this time, and will depend on federal funding levels.

CONTACT: Individuals needing assistance with the HCV Program should call the Section 8 Program at 1 (800) 237-6500. Individuals seeking other forms of local rental assistance may find other Housing Choice Voucher providers 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.

Online documents: Additional documentation, including the Housing Choice Voucher Plan, may be accessed at the TDHCA website at http://www.tdhca.state.tx.us/section-8/.

Funding Source: HUD

Type of Assistance: Grant, rental subsidy

Recipients: Households at or below 50% AMFI

WEATHERIZATION ASSISTANCE PROGRAM ("WAP")

WAP is funded by the U.S. Department of Energy ("DOE WAP") and USHHS' LIHEAP grant ("LIHEAP WAP"). 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 22 WAP Subrecipients. The subrecipients consist of CAAs, nonprofit entities and units of local government. 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.

The targeted beneficiaries of WAP in Texas are households with an income at or below 150% of federal poverty for the LIHEAP WAP and 200% of federal poverty for DOE WAP, with priority given to older Texans; 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%); elderly poverty household factor (40%); inverse poverty household density factor (5%); median income variance factor (5%); and weather factor (10%).

Projected WAP funding for FY 2018 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 Laura Saintey, Community Affairs Division at 512-475-3854.

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 Sources: DOE WAP and USHHS' LIHEAP

Type of Assistance: Grants

Recipients: CAAs, nonprofits and local governments

Targeted Beneficiaries: Households with income at or below 150% of federal poverty guidelines for the LIHEAP WAP and 200% of federal poverty for DOE WAP.

HOME AND HOMELESS PROGRAMS DIVISION

The HOME and Homeless Programs Division covers a continuum spanning threat of homelessness to rental assistance to home ownership. Two of the three programs share common federal oversight through HUD's Office of Community Planning and Development while all three support the Department's commitment to provision of housing solutions for low-income Texans. Programs administered include Emergency Solutions Grants Program, Homeless Housing and Services Program, and HOME that provides 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 activities.

HOME Program funds support a variety of eligible activities including Homeowner Rehabilitation, Homebuyer Assistance, Contract for Deed, Tenant-Based Rental Assistance, Single Family Development, and Multifamily Development by expanding the supply of decent, safe, affordable housing.

HOME PROGRAM

The HOME Investment Partnerships Program ("HOME") is authorized under the Cranston-Gonzalez National Affordable Housing Act (42 USC § 12701, et. seq.) and TDHCA receives its HOME funding from HUD.

The purpose of the HOME Program is to expand the supply of decent, safe, and affordable housing for extremely low-, very low- and low-income households and to alleviate the problems of excessive rent burdens, barriers to homeownership, 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, Community Housing Development Organizations ("CHDOs"), nonprofit organizations and other qualified 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 for 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 Tex. Gov't Code §2306.111, in administering HOME Program funds, the Department shall expend 95% of these funds for the benefit of non-participating small cities and rural areas that do not qualify to receive funds under the Act directly from HUD. This directs HOME funds into rural Texas. As established in Tex. Gov't Code §2306.111(c) and subject to the submission of qualified applications, 5% of the annual HOME Program allocation shall be allocated for applications serving persons with disabilities living in any part of the state. Typically, federal regulations require a minimum of 15% of the annual HOME allocation be reserved for CHDOs, but this requirement has been waived by HUD for the 2016-2018 allocation. 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

The Contract for Deed activity provides funds to households for the acquisition or the refinancing of their contract for deed, replacing it with a mortgage loan secured by a deed of trust. Assistance is provided in conjunction with the rehabilitation or reconstruction of the property. The existing and the repaired or reconstructed home must be the principal residence of the homeowner. CFD loans through the Department are often more favorable than the household's previous loan term. These funds are made available as specified in published rules and 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 rehabilitation of affordable single family housing which must be sold to households at or below 80% AMFI. CHDOs can also apply for homebuyer assistance if their organization is the developer of the single family housing project. These funds are made available as specified in published rules and 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 for up to 60 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 rules and NOFAs.

HOMEBUYER ASSISTANCE

The Homebuyer Assistance ("HBA") activity 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 in conjunction with provision of down payment and closing cost assistance. 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. All HOME assisted homebuyers must attend a homebuyer counseling class. These funds are made available as specified in published rules and NOFAs.

HOMEOWNER REHABILITATION ASSISTANCE

The Homeowner Rehabilitation Assistance ("HRA") activity offers grants or zero-interest deferred forgivable loans for rehabilitation, reconstruction, or new construction of dilapidated housing units, to homeowners. The existing and the repaired or reconstructed home must be the principal residence of the homeowner. 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 Tex. Gov't Code §2306.514 and energy efficiency standards.

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 rules and NOFAs.

SUMMARY OF HOME PROGRAM FUNDING FOR FISCAL YEAR 2018

The HOME Program anticipates receiving $10,000,000 in multifamily and single-family program income . Projected HOME funding for FY 2018 is unknown at this time, and will depend on federal funding levels.

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 qualified entities.

TARGETED BENEFICIARIES: AMFI levels are set by program rules and NOFAs and will vary from 30% AMFI to 80% AMFI, depending on the program.

EMERGENCY SOLUTIONS GRANTS PROGRAM

ESG is funded through HUD. TDHCA uses the HUD funding to award 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 can be utilized for the rehabilitation or conversion of buildings for use as emergency shelter for persons experiencing homelessness; the payment of certain expenses related to operating emergency shelters; essential services related to emergency shelters and street outreach for persons experiencing homelessness; and, homelessness prevention and rapid re-housing assistance such as rental and utility assistance.

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 a number of factors. The factors may include population experiencing homelessness based on the Point-in-Time count submitted to HUD by the CoCs; people living in poverty; renters with incomes less than 30% AMI that experience cost burden; the amount of ESG funding received by federal and state funding streams in the past year; and other factors as listed in the NOFA.

For the 2017/2018 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 25 applications directly and CoC lead agencies received 30 applications on behalf of TDHCA, requesting approximately $18.7 million. TDHCA awarded $8,667,823, which is the annual 2017 allocation, plus a one-time supplemental funding to the Amarillo CoC, less funds held for TDHCA administration. The 2017/2018 ESG application cycle was a competition for both 2017 and 2018 ESG funds. Assuming there are no previous participation concerns, 2018 ESG funds are anticipated to be allocated to 2017 ESG Subrecipients in proportion to their 2017 ESG awards.

SUMMARY OF ESG PROGRAM FUNDING FOR FISCAL YEAR 2018

Projected ESG funding for FY 2018 is unknown at this time, and will depend on federal funding levels.

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 Cantu, HOME and Homeless Programs 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: Persons experiencing homelessness or those at risk of homelessness; persons at-risk of homelessness who receive homelessness prevention assistance must have incomes less than 30% AMFI

HOMELESS HOUSING AND SERVICES PROGRAM

HHSP was established by the 81st Texas Legislature and codified in statute (Tex. Gov't Code §2306.2585) by the 82nd Legislature. HHSP funds are for the purpose of assisting major urban areas identified in statute in providing housing and services to individuals and families experiencing homelessness, as well as providing local programs to prevent and eliminate homelessness. The assistance includes services to individuals and families experiencing homelessness, including the construction of shelter facilities, direct services related to housing placement, homelessness prevention, housing retention and rental assistance. Funds are either provided to the local jurisdiction or to one local organization of the local jurisdiction's choosing.

SUMMARY OF HHSP PROGRAM FUNDING FOR FISCAL YEAR 2018

The 85th Legislature appropriated approximately $9.8 million in General Revenue funds for the 2018-2019 biennium for program funds. In PY 2018, approximately $4.9 million dollars was allocated to urban areas based on having a population over 285,000. Allocation among the subrecipients is based on percentage of persons in poverty, veteran population, persons with disabilities, and the Point-In-Time count of persons experiencing homelessness. The funding for the second year of the biennium will be available to the designated urban areas after the beginning of PY 2019.

CONTACT: HHSP Subrecipients may be found by calling the Housing Resource Center at 800-525-0657. Program administrators can call Naomi Cantu, HOME and Homeless Programs Division, at (512) 475-3975.

ONLINE DOCUMENTS: More HHSP information may be accessed online at http://www.tdhca.state.tx.us/home-division/hhsp/index.htm.

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: Persons experiencing homelessness and those at risk of homelessness, less than 30% AMFI, or equal or less than 50% AMFI for recertification of assistance.

ENDING HOMELESSNESS FUND

The Ending Homelessness fund was established by the 85th Texas Legislature by creating the opportunity for a voluntary contribution to be made when renewing the registration of a motor vehicle. The Ending Homelessness Fund is a trust fund outside the State Treasury, held by the Comptroller of Public Accounts and administered by TDHCA. Until the funding reaches in excess of $100,000, an autonomous program is not able to be supported. The initial uses of the Ending Homelessness Fund up to $100,000 may be used as matching funds for the ESG Program. For the long term uses of the Ending Homelessness Fund, TDHCA will be seeking input from stakeholders, including roundtable discussions, an online forum, and a formal rulemaking process.

SUMMARY OF ENDING HOMELESSNESS FUND FOR FISCAL YEAR 2018

The contributions to the Fund are entirely voluntary, and there is no historical basis to speculate what the expected annual contribution level from the public for this fund will be; therefore the Department is unable to forecast the annual level of funding. Other existing funds that people can choose to donate to while they are completing their motor vehicle registration have seen annual donations from $10,000 per year to over $1,000,000 in cumulative donations. At this time, it is not expected that the funding level will be adequate to support an autonomous program, and a smaller amount of funding may be best utilized as match to leverage other sources of funding that are known quantities.

CONTACT: Interested parties regarding the Ending Homelessness Fund may call Naomi Cantu, HOME and Homeless Programs Division, at (512) 475-3975.

ONLINE DOCUMENTS: To be determined.

FUNDING SOURCE: Voluntary donations

RECIPIENTS: High performing ESG Subrecipients.

TARGETED BENEFICIARIES: Persons experiencing homelessness or those at risk of homelessness; persons at-risk of homelessness who receive homelessness prevention assistance must have incomes less than 30% AMFI.

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 2018-2019 biennium, the HTF offers the Amy Young Barrier Removal Program and the Texas Bootstrap Loan Program. The OCI also offers the Colonia Self-Help Center ("SHC") Program.

The Amy Young Barrier Removal Program allows accessibility modifications and the elimination of hazardous housing conditions for persons with disabilities.

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. During the Regular Session of the 85th Legislature, the Department was appropriated General Revenue for the HTF in the amount of $10,443,402 for the 2018-2019 biennium. The 2018-2019 Housing Trust Fund Biennial Plan was presented and approved by the Department's Governing Board at the board meeting of June 29, 2017, and staff submitted the HTF Plan to appropriate legislative offices as required by the Texas Government Code.

Amy Young Barrier Removal Program

The Amy Young Barrier Removal Program awards grants to units of local government and private nonprofit entities that provide one-time grants of up to $20,000 to persons with disabilities at or below 80% 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.

CONTACT: Glynis Laing Vitanza, 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: Grants

RECIPIENTS: Units of local government, non-profit organizations, for-profit organizations, and public housing authorities.

TARGETED BENEFICIARIES: 80% AMFI

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 Tex. Gov't Code §2306.582 to provide concentrated attention to five colonias in each county. The Department also established Colonia SHCs in Maverick and Val Verde counties due to their large population of residents of colonias 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. Operation of the Colonia SHC for each county is managed by a local nonprofit organization, CAA, or local unit of government that has demonstrated capacity to operate a Colonia SHC and been selected to do so by the county.

The Colonia SHCs provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways. 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 housing rehabilitation, reconstruction, new construction, surveying and platting, and construction skills training. Lastly, the Colonia SHCs operate tool libraries to support self-help construction by residents of colonias.

Estimated funding for the PY 2017 the Colonia SHC Program is $1,488,785. The funding for PY 2018 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 Tex. Gov't 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% of the median state household income.

Texas Bootstrap Loan Program funding for FY 2018 is $3,000,000.

More detail can be found in Section 6: Colonia Action Plan.

Contact: Raul Gonzales at (512) 475-1473 or raul.gonzales@tdhca.state.tx.us

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: Amortizing repayable loans at 0% interest.

Recipients: Nonprofit organizations and Colonia SHCs.

Targeted Beneficiaries: Households at or below 60% AMFI.

NEIGHBORHOOD STABILIZATION PROGRAM

The purpose of the Neighborhood Stabilization Program ("NSP") was to redevelop into affordable housing or acquire and hold abandoned and foreclosed properties in areas that were documented to have had the greatest potential for declining property values as a result of excessive foreclosures. NSP was created by the Housing and Economic Recovery Act ("HERA") of 2008, establishing a temporary program meant to address economic issues at that time. Although no new NSP funding is being provided to Texas, NSP continues to operate and has approximately 500 land bank properties that still must be put into final use, which could take several years. Administrators for land bank property disposition are the administrators already involved in the original purchase of the lots. Program income generated from NSP loan repayments will be utilized for homebuyer assistance on land bank properties and multifamily developments. Information on NSP will remain in the annual SLIHP until all NSP activities are completed and the program has closed out.

Contact: Raul Gonzales at (512) 475-1473 or raul.gonzales@tdhca.state.tx.us

Online documents: http://www.tdhca.state.tx.us/nsp/index.htm

Funding Source: 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.

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 regulates the manufactured housing industry in Texas.

The Manufactured Housing Division records ownership of over 54.000 homes per year and conducts over 18,500 inspections 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 more than 78,000 incoming calls and assists approximately 2,200 walk-in customers per year in its customer service center and investigates approximately 721 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 Program.

TDHCA's Housing Tax Credit Program provided funding for the development of Barron's Branch in Waco.

HOUSING TAX CREDIT PROGRAM

The HTC Program receives authority from the U.S. Treasury Department to provide tax credits to nonprofit 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% 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 §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 9% 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") and Uniform Multifamily Rules which establish the scoring process and threshold requirements relating to an allocation of housing tax credits. Pursuant to Tex. Gov't Code

§2306.6724(c), the Governor shall approve, reject, or modify and approve the Board adopted QAP not later than December 1 of each year.

The distribution of the 9% housing tax credits under the state ceiling are allocated first to three statutorily created set-asides and the remainder on a regional basis according to the Regional Allocation Formula ("RAF") pursuant to Tex. Gov't 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 by the end of July.

The estimated HTC state housing credit ceiling amount for FY 2018 is approximately $66,870,182. Because these credits are claimed each year for ten consecutive years their value (without adjustment for effective tax rates anticipated depreciation and other passive gains and losses, or net present value) is roughly ten times that amount.

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 10 TAC §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 (or equivalent) appliances. There are also additional threshold and/or selection criteria for the use of energy-efficient alternative construction materials 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 Tex. Gov't Code Chap. 1372, approximately 22% of the annual tax exempt volume cap is set aside for multifamily developments and available to various issuers to finance multifamily developments. Of this amount, 20%, or approximately $121 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 $121 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. Applications submitted to TDHCA under the PAB program are scored and underwritten based on criteria identified in the Multifamily Housing Revenue Bond Rules, the Uniform Multifamily Rules, and Chapter 2306, and ranked based on the following priority designations pursuant to Chapter 1372 of the Tex. Gov't Code. The priority designation is elected by the Owner and establishes the income level the development will serve.

- **Priority 1:**
    - Set aside 50% of units rent capped at 30% of 50% AMFI and the remaining 50% of units rents capped at 30% of 60% of AMFI; or
    - Set aside 15% of units rent capped at 30% of 30% of AMFI and the remaining 85% of units rent capped at 30% of 60% of AMFI; or
    - Set aside 100% of units rent capped at 30% of 60% of AMFI for developments located in a census tract with median income that is higher than the median income of the county, Metropolitan Statistical Area ("MSA") or Primary Metropolitan Statistical Area ("PMSA") in which the census tract is located.
- **Priority 2:**
    - Set aside 80% of units rent capped at 30% of 60% of AMFI
    - Up to 20% 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% 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 (or equivalent) appliances. Moreover, the scoring criteria in the Multifamily Housing Revenue Bond Rules offers points for the use of energy-efficient alternative construction materials and green building initiatives.

MULTIFAMILY DIRECT LOAN PROGRAM

The Multifamily Finance Division awards HOME, Tax Credit Assistance Program Repayment Funds ("TCAP RF"), Neighborhood Stabilization Program Round 1 Program Income ("NSP1 PI") as available, and National Housing Trust Fund ("NHTF") 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 published rules and NOFAs by TDHCA and are available to for-profit and nonprofit developers.

HOME funds come from annual formula grant allocations from HUD and program income from repayable multifamily loans. HOME funds can serve households earning up to 80% of the area median income. Applicants for HOME funds under the Multifamily Direct Loan program can be for-profit and nonprofit developers. It is anticipated that approximately $12 million in HOME funds will be available in the annual NOFA for SFY 2018.

The Tax Credit Assistance Program ("TCAP") was a program created through the American Recovery and Reinvestment Act of 2009 that was successfully completed in 2012 with full reports in the 2013 SLIHP. Repayment Funds ("RF") are income from TCAP Loans received after the grant was closed out in March 2012, now called TCAP RF. TCAP RF funds have been awarded through NOFAs in SFY 2015 through SFY 2017. It is anticipated that approximately $12 million in TCAP RF will be available in the Multifamily Direct Loan NOFA for SFY 2018. The Department has made those funds available statewide in the form of interest bearing debt to create a source of ongoing repayments that will further the Department's mission to create more affordable housing. TCAP-RF are also used as HOME match.

NSP1-PI is income generated by the receipt of loan payments under the original NSP. $7 million was available during SFY 2017, and the Department anticipates approximately $5 million to be available in SFY 2018. The NSP1-PI funds are for urban infill or foreclosed developments in target areas of the state, and will generally follow the same long-term requirements as HOME.

NHTF is a newly funded program for states that was created under the Housing and Economic Recovery Act of 2008. NHTF funding comes from a small percentage of the Federal Home Loan Mortgage Corporation's (Freddie Mac) and the Federal National Mortgage Association's (Fannie Mae) new business purchases annually, rather than from appropriations. HUD determines NHTF formula allocations amount for each state based on several factors, but primarily the shortage of rental units affordable and available to households with extremely low income. For SFY 2018, TDHCA anticipates making available $7,972,864 in NHTF statewide through the NOFA for new construction activities. NHTF has very similar long-term requirements to HOME funds, except the households to be served must be at or below the greater of 30% AMI or the federal poverty line.

CONTACT: For a list of HTC, PAB, and MFDL 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 Sharon Gamble at (512) 936-7834. 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, Multifamily Direct Loan 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 along with HOME, NSP, TCAP RF, and NHTF loans.

RECIPIENTS: For-profit entities, nonprofit organizations and CHDOs.

TARGETED BENEFICIARIES: AMFI levels are set by program rules and NOFAs, and will vary from 30% AMFI to 80% AMFI, depending on the program.

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, Texas Health and Human Services ("Texas HHS"), local disability service organizations, and participating multifamily properties.

The Section 811 PRA program provides project-based rental assistance for extremely low-income persons with disabilities linked with voluntary long-term services.

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.

The program is limited to individuals who are part of one of the Target Populations and eligible to receive services through one of the eligible disability service organizations contracted with Texas HHS. 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 Target Populations must be 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 Section 811 Referral Agent.

Target Populations:

- **People with disabilities living in institutions.** This population includes those that wish to transition back to the community from nursing facilities and Intermediate Care Facilities for Individuals with Intellectual Disabilities who are eligible for Medicaid waiver services;

- **People with serious mental illness.** These individuals receive behavioral health services through a Local Mental Health Authority; and
- **Youth and young adults with disabilities exiting foster care.** These individuals are eligible for services through the Department of Family and Protective Services.

The program is currently limited to properties located in the following Metropolitan Statistical Areas ("MSAs"):

- 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 an additional $12,000,000 for HUD PY 2013. The program helps extremely low-income individuals with disabilities and their families by providing between 500 and 700 new integrated supportive housing units.

CONTACT: For individuals, or their local caseworkers who are interested in accessing a unit through the Section 811 PRA Program, contact Bill Cranor at (512) 936-7804. For properties interested in participating in the program contact Spencer Duran at (512) 475-1784. More general program information about the Section 811 PRA Program can be found at: http://www.tdhca.state.tx.us/section-811-pra/index.htm.

ONLINE DOCUMENTS: 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

ELIGIBLE PROPERTIES: 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, state, or local publically-funded program.

TARGETED BENEFICIARIES: The program is limited to individuals who are part of one of the Target Populations and eligible for services contracted through one of the Texas HHS 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, and is at or below 30% AMFI 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 ("TSHEP").

In state fiscal year 2017, TDHCA Homebuyer programs helped 5,870 families become homeowners.

MY FIRST TEXAS HOME PROGRAM

My First Texas Home Program 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. The program continues to be offered on a first-come, first-served basis 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% of AMFI limitations, based on IRS adjusted income limits, or 140% 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% of program funds are made available to assist Texans earning 80% or less of program income limits. The Department intends to issue tax-exempt and taxable mortgage revenue bonds in FY 2018 secured by mortgage-backed securities created with mortgage loans originated through this program.

Income limits for the program will continue to be in line with those set by the Internal Revenue 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% or more of the families have an income of 80% 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.

My First Texas Home Program funding for FY 2018 is dependent on continuation of federal authority, but is projected to be $800,000,000.

Texas Homebuyer U ("TXHBU") is a free online tool designed to satisfy the homebuyer education requirement for TDHCA's first time homebuyer programs. TX HBU offers two courses: One is a comprehensive pre- and post-purchase tutorial which satisfies the education requirement for TDHCA's first time homebuyer programs; the other is an introductory course to its Texas Mortgage Credit Certificate ("TX MCC") Program.

> 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: 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 that are able to qualify for a mortgage loan who earn up to 115% AMFI who meet program guidelines, or 140% AMFI who meet program guidelines in a targeted area.

TEXAS MORTGAGE CREDIT CERTIFICATE PROGRAM

TDHCA has the ability to issue Mortgage Credit Certificates ("MCCs") through its bond authority. The program is offered through a network of approved lenders. An MCC provides a tax credit of 40% of annual interest paid on a mortgage loan 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 TX MCC Program provides homeownership opportunities for qualified individuals and families whose gross annual household income does not exceed 115% of AMFI limitations, based on IRS adjusted income limits, or 140% 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 Federal Housing Administration ("FHA"), VA, RHS or Conventional guidelines at prevailing market rates.

The TX 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.

MCC funding for FY 2018 is dependent on continuation of federal authority, but is projected to be $600,000,000.

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 that are able to qualify for a mortgage loan who earn up to 115% AMFI who meet program guidelines, or 140% AMFI who meet program guidelines in a targeted area.

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 leverages the delivery of comprehensive homebuyer education by providing "train the trainer" courses to homebuyer counselors

TDHCA, in conjunction with its Governing Board, made the decision to outsource the day to day administration of the program; currently the program is outsourced to NeighborWorks America. 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 2017: $50,000

CONTACT: Individuals seeking homebuyer classes may search for providers in their area online at http://www.tdhca.state.tx.us/texans.htm. For more information on TSHEP workshops or to become a certified homebuyer counselor, call the TDHCA at 512-475-3993.

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, Barrier Removal, 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.

Category	Program	Description	Eligible Households/Individuals
Poverty Prevention	Community Service Block Grant Program ("CSBG")	CSBG activities can be instrumental in helping households in poverty and in preventing homelessness in the lowest-income populations. For those organizations that provide services through CSBG, activities may include: child care; transportation; job training and employment services; education services; housing services; emergency assistance (including rent and utilities); youth development programs; activities to promote self-sufficiency; and other related services.	<=125% Poverty
Poverty Prevention	Comprehensive Energy Assistance Program ("CEAP")	For those income-eligible Texans who have housing, subsidizing or reducing the energy costs may help keep that housing affordable and prevent homelessness. 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.	<=150% Poverty
Homelessness Prevention	Emergency Solutions Grants Program ("ESG")	The ESG Program's focus is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.	<30% AMFI, persons experiencing homeless or at risk of homelessness
Homelessness Prevention	Homeless Housing and Services Program ("HHSP")	HHSP was created for the purpose of assisting large urban areas in providing local programs to prevent and end homelessness.	<=30% AMFI, persons experiencing homeless or at risk of homelessness OR <=50% AMFI for recertification

(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.

Category	Program	Description	Eligible Households/Individuals
Rental Assistance	Housing Choice Voucher Program ("HCVP")	The Housing Choice Voucher Program provides rental subsidies for decent, safe and sanitary housing to eligible households in 34 specific counties. A specialized program within the Housing Choice Voucher Program, the Project Access Program, uses vouchers to assist persons with disabilities transitioning from institutions into housing in the community.	<50% AMI
Rental Assistance	Section 811 Project Rental Assistance Program ("Section 811")	The Section 811 PRA program provides project-based rental assistance for extremely low-income persons with disabilities linked with long term services.	The higher of <30% AMI or <Federal Poverty Level
Rental Assistance	Tenant Based Rental Assistance ("TBRA")	The HOME Program's TBRA provides rental subsidy, security and utility deposit assistance. The HOME assisted tenant must participate in a self-sufficiency program.	<80% AMI
Multifamily Development	Housing Tax Credit Program ("HTC")	The HTC, Multifamily Bond and Multifamily Direct Loan programs serve extremely low-, very low-, low- and moderate-income households and the funded properties 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.	<60% AMI for Housing Tax Credit and Multifamily Bond Programs <30% AMI and <80% AMI for Multifamily Direct Loan Program

(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. 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.

Category	Program	Description	Eligible Households/Individuals
Homebuyer Education	Colonia Self-Help Center Program ("SHC")	The Colonia SHC Program provides outreach, education and technical assistance to residents of colonias in support of their preparations to become homebuyers or to maintain homes. The program can also provide homebuyer assistance.	<80% AMI
Homebuyer Education	Texas Statewide Homebuyer Education Program	To ensure uniform quality of the homebuyer education provided throughout the state, NeighborWorks America will provide training professionals to teach housing counseling to local nonprofit organizations. The training professionals, through NeighborWorks America, will also certify the participants as homebuyer education providers.	No AMI Limits
Homebuyer Assistance	Contract for Deed Program ("CFD")	HOME's Contract for Deed Program provides funds to assist with the acquisition or refinance of a lien to convert a contract for deed into a traditional mortgage. Assistance is combined with repair or replacement assistance of the property occupied for the contract for deed holder.	<60% AMI, must reside in a colonia
Homebuyer Assistance	My First Texas Home Program ("MFTH") Non-Targeted Funds	The Texas Homeownership Division's My First Texas Home Program non-targeted funds may offer eligible first time homebuyers competitive interest rate mortgage loans and down payment assistance through a network of participating lenders.	<115% AMI
Homebuyer Assistance	My First Texas Home Program ("MFTH") 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 first time homebuyer requirement is waived for borrower's purchasing properties located in targeted areas.	<140% AMI, households in areas of chronic economic distress

Homebuyer Assistance	HOME Homebuyer Assistance Program ("HBA")	HOME's Homebuyer Assistance includes down payment and closing cost assistance for homebuyers to acquire affordable single-family housing. Homebuyer Assistance with Rehabilitation offers down payment and closing cost assistance and also includes construction costs associated with barrier removal for homebuyers with disabilities.	<80% AMI
Homebuyer Assistance	Mortgage Credit Certificate Program ("TX MCC") Non-Targeted Funds	The Texas Homeownership Division's MCC provides a tax credit of up to $2,000 that effectively reduces the borrower's federal income tax liability. This tax savings may provide a family with more available income to qualify for a loan and meet mortgage payment requirements.	<115% AMI
Homebuyer Assistance	Mortgage Credit Certificate Program ("TX MCC") Targeted Funds	The Texas Homeownership Division's MCC provides a tax credit of up to $2,000 that effectively reduces the borrower's federal income tax liability. This tax savings may provide a family with more available income to qualify for a loan and meet mortgage payment requirements. Targeted funds are available to qualifying households who will live in a home purchased in areas of chronic economic distress.	<140% AMI, households in areas of chronic economic distress
Homebuyer Assistance	Neighborhood Stabilization Program ("NSP") Homebuyer Assistance Program	Homebuyer assistance is available for land bank properties used as the eligible homebuyer's principal residence and multifamily developments through the Neighborhood Stabilization Program.	<120% AMI, must currently own or manage NSP land bank properties
Single Family Development	Single Family Development Program ("SFD")	The HOME Programs' Single Family Development activity provides funding to CHDOs that can apply for loans to develop single-family affordable housing	<=80% AMI
Single Family Development	Texas Bootstrap Program ("Bootstrap")	The Texas Bootstrap Loan Program provides funds to purchase or refinance real property for new residential housing, construct new residential housing or improve existing residential housing.	<=60% AMI

(4) REHABILITATION, BARRIER REMOVAL, 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.

Category	Program	Description	Eligible Households/Individuals
Rehabilitation and Barrier Removal	Amy Young Barrier Removal Program ("AYBR")	The HTF's Amy Young Barrier Removal Program provides one-time grants of up to $20,000 to people with disabilities for accessibility modifications to their housing units and to eliminate life threatening hazards and correct unsafe conditions.	<=80% AMI, persons with disabilities
Rehabilitation and Barrier Removal	HOME Homeowner Rehabilitation Assistance Program ("HRA")	HOME's Homeowner Rehabilitation Assistance Program provides rehabilitation, reconstruction, or new construction, assistance to homeowners for the repair or reconstruction of their existing home, which must be their principal residence.	<80% AMI
Weatherization	Weatherization Assistance Program ("WAP")	WAP provides 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. WAP also provides energy conservation education to empower clients to continue to reduce their energy burden.	<=150% Poverty for LIHEAP WAP <=200% Poverty for DOE WAP

(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.

Category	Program	Description	Eligible Households/Individuals
Disaster Relief	Community Services Block Grant ("CSBG")	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.	<=125% Poverty
Disaster Relief	HOME Program Disaster Relief	The HOME Program utilizes deobligated and available funds for disaster relief through HRA, HBA, and TBRA programs in communities that are not designated by HUD as HOME participating 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.	<80% AMI

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.

2018 REGIONAL ALLOCATION FORMULA

Tex. Gov't 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, 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. Tex. Gov't 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 released 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 areas, as explained under the program subheadings.

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%.
  - 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.

The provided Regional Allocation tables are sample amounts only. The final allocation amounts are calculated by the program area staff following the RAF Methodology approval by the TDHCA Governing Board. Further, even when final allocation amounts are made available other planning considerations further alter the applicability of the RAF and/or the amounts. To the extent funds received/proposed to be used are below the statutory minimum for any program/activity, or if the proposed activities fall into a statutory exception, the RAF will not be used.

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, a 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.

Secondly, Tex. Gov't Code §2306.111 dictates that the Department shall expend 95% 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 2018 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 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 2018 RAF

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Urban Funding Amount
1	Lubbock	$ 565,077	5.65%	$ 459,492	$ 105,585
2	Abilene	$ 483,573	4.83%	$ 383,573	$ 100,000
3	Dallas/Fort Worth	$ 1,714,601	17.13%	$ 266,349	$ 1,448,252
4	Tyler	$ 962,084	9.61%	$ 675,031	$ 287,052
5	Beaumont	$ 602,982	6.03%	$ 430,197	$ 172,786
6	Houston	$ 540,045	5.40%	$ 209,442	$ 330,603
7	Austin/Round Rock	$ 925,771	9.25%	$ 204,731	$ 721,040
8	Waco	$ 630,761	6.30%	$ 327,668	$ 303,093
9	San Antonio	$ 507,801	5.07%	$ 238,997	$ 268,804
10	Corpus Christi	$ 575,120	5.75%	$ 338,519	$ 236,600
11	Brownsville/Harlingen	$ 682,272	6.82%	$ 421,570	$ 260,701
12	San Angelo	$ 587,580	5.87%	$ 393,132	$ 194,448
13	El Paso	$ 1,229,713	12.29%	$ 1,005,257	$ 224,456
	Total	$ 10,007,378	100%	$ 5,353,958	$ 4,653,420

HOME Multifamily Program 2018 RAF

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Urban Funding Amount
1	Lubbock	$ 465,173	4.90%	$ 365,696	$ 99,476
2	Abilene	$ 299,919	3.16%	$ 258,859	$ 41,061
3	Dallas/Fort Worth	$ 2,002,553	21.08%	$ 318,300	$ 1,684,253
4	Tyler	$ 1,159,049	12.20%	$ 812,259	$ 346,790
5	Beaumont	$ 680,129	7.16%	$ 493,993	$ 186,136
6	Houston	$ 579,969	6.10%	$ 216,318	$ 363,651
7	Austin/Round Rock	$ 1,097,804	11.56%	$ 191,680	$ 906,123
8	Waco	$ 548,277	5.77%	$ 298,549	$ 249,728
9	San Antonio	$ 552,437	5.82%	$ 250,803	$ 301,634
10	Corpus Christi	$ 594,929	6.26%	$ 330,780	$ 264,149
11	Brownsville/Harlingen	$ 724,494	7.63%	$ 447,103	$ 277,392
12	San Angelo	$ 429,487	4.52%	$ 214,638	$ 214,849
13	El Paso	$ 365,780	3.85%	$ 25,141	$ 340,639
	Total	$ 9,500,000	100%	$ 4,224,119	$ 5,275,881

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 Tex. Gov't Code §2306.111(d-1)(3), the RAF does not apply to activities with less than $3,000,000 of funding. The Texas Bootstrap Loan Program has not received more than $3,000,000. Tex. Gov't 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 2018.

HOUSING TAX CREDIT REGIONAL ALLOCATION FORMULA

In accordance with Tex. Gov't Code §§2306.111(d) and 2306.1115, TDHCA allocates HTC Program funds to each State Service 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% of the state's tax credit amount is awarded to rural areas.

HTC Program 2018 RAF

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Urban Funding Amount
1	Lubbock	$ 1,621,068	3.24%	$ 584,549	$ 1,036,519
2	Abilene	$ 1,000,000	2.00%	$ 500,000	$ 500,000
3	Dallas/Fort Worth	$ 12,019,138	24.04%	$ 503,149	$ 11,515,990
4	Tyler	$ 2,136,260	4.27%	$ 1,252,265	$ 883,995
5	Beaumont	$ 1,398,990	2.80%	$ 773,371	$ 625,619
6	Houston	$ 10,713,248	21.43%	$ 500,000	$ 10,213,248
7	Austin/Round Rock	$ 3,980,364	7.96%	$ 500,000	$ 3,480,364
8	Waco	$ 1,752,518	3.51%	$ 500,000	$ 1,252,518
9	San Antonio	$ 4,601,867	9.20%	$ 500,000	$ 4,101,867
10	Corpus Christi	$ 1,639,592	3.28%	$ 513,998	$ 1,125,594
11	Brownsville/Harlingen	$ 5,369,149	10.74%	$ 695,701	$ 4,673,447
12	San Angelo	$ 1,238,916	2.48%	$ 500,000	$ 738,916
13	El Paso	$ 2,528,890	5.06%	$ 500,000	$ 2,028,890
	Total	$ 50,000,000	100%	$ 7,823,034	$ 42,176,966

Further, TDHCA is required by §42(m)(1) of the Internal Revenue Code and Tex. Gov't 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.

FAIR HOUSING

Through education, outreach, training, program administration, monitoring, and rule provision, TDHCA works to ensure that its housing and assistance programs are compliant with HUD's requirements and regulations regarding affirmatively furthering fair housing.

Education, Outreach and Training

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 works with TWC to ensure that prospective applicants and residents are aware of TWC's complaint process and that owners and management agents operating TDHCA properties and programs are aware of their responsibilities under the Federal and State Fair Housing Act. TWC offers free fair housing training.

The Department developed a free online homebuyer education module, "Becoming a Homeowner" for the Texas Homeownership division. The online course is available 24/7 in both English and Spanish and provides buyers with a greater understanding of what to expect when purchasing a home, including information on the Mortgage Credit Certificate ("MCC") program, down payment assistance, and lending rates. The convenient, self-paced course offers a pre- and post-purchase tutorial on the ins and outs of buying a home. In summer 2017 an average of 1,000 homebuyers took the course monthly.

Effective April 2017, all TDHCA staff will complete a fair housing training module biennially. New hires will complete the training within the first 90 days of employment. The HUD-approved training is provided online, at no cost through the Texas Workforce Commission, Civil Rights Division. In 2017 agency staff took the fair housing training offered through the Texas Workforce Commission and had the opportunity to attend two fair housing webinars.

In 2017 fair housing staff conducted a number of presentations and trainings to organizations utilizing TDHCA programs. Staff trained the Assertive Community Treatment Team with Austin/Travis County Integral Care; the team provides treatment, rehabilitation and support services to individuals who are diagnosed with a severe mental illness. Staff also trained relocation contractors assisting individuals exiting nursing facilities and transitioning to community-based settings. Trainings are available upon request and help ensure equal access to TDHCA programs.

Program Administration and Monitoring

TDHCA Staff examined small area fair market rents ("FMRs") and hypothetical small area fair market rents to determine if FMRs in the Department's Housing Choice Voucher Program service area needed to be adjusted to expand tenant housing choices. The establishment of the standard is important because it essentially determines whether a household will be able to find a unit they can afford with the voucher the Department issues. 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 aid in areas where voucher holders have 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 Department's Language Access Plan was revised to reflect updated language service protocols. The agency procured third-party translation and interpreting services through two vendors available on an as-needed basis. Language addressing current points of contact between the Department and client populations was updated to include Spanish-speaking contacts within the Department. Links to interpreting services were added to the Department's header; those who are unable to speak, read, write, or understand the English language may call the Department to request translation assistance with any document, event or other information from the Department.

Rule Provisions

Staff developed a demographic database that consolidates Housing Tax Credit demographic data and compares trends to demographic data collected by the U.S. Census Bureau. This database is used in the Multifamily Affirmative Marketing Tool, as required by rule. Staff is undertaking system changes to the database to report demographic information by household member to better evaluate and streamline demographic reporting. The update will also utilize more recent demographic data. Staff anticipates a rule change in 2018.

Staff revised Single Family Umbrella rules, 10 TAC §20.9, Fair Housing Affirmative Marketing and Reasonable Accommodations. The Department expanded rules for all single family programs to require affirmative marketing, utilize a random selection process when identifying households to assist (for a 30 day application period), and ensure outreach to speakers with Limited English Proficiency. The rules include a requirement for subrecipients to have 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.

Staff amended the Department's reasonable accommodation rule, 10 TAC §1.204. Under the revised rule responses to Reasonable Accommodation requests must be provided within a reasonable amount of time, not to exceed 14 calendar days. The response must either be to grant the request, deny the request, offer alternatives to the request, or request additional information to clarify the Reasonable Accommodation request. The amendment also clarifies that certain items identified by the U.S. Department of Justice (such as a reserved parking space) with a de minimis cost are a reasonable accommodation that the owner/operator of housing must pay for. The rule change was recognized as a national best practice by the National Academy for State Health Policy and helps to ensure that people with disabilities have access to Department programs, housing, and services.

Homelessness Program rules were revised to strengthen affirmative marketing and tenant selection criteria requirements. Staff proposed rule changes to the Emergency Solutions Grant ("ESG") and Homeless Housing and Services Program ("HHSP") to align with fair housing goals. Revisions include affirmative marketing requirements to market to those least likely to apply for services, and tenant selection criteria to ensure reasonable accommodation and Violence Against Women Act ("VAWA") notifications occur with any adverse action.

HUD Requirements and Regulations to Affirmatively Furthering Fair Housing

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 and corresponding action items under the AI. The group consolidates records of fair housing activities across the agency and coordinates the setting of priorities and goals and the tracking of results.

Staff utilizes a Fair Housing Tracking Database that assists TDHCA in consolidating fair housing records and tracking goals under the Analysis of Impediments. The database includes projects in various stages of research, planning, and implementation to affirmatively further fair housing. Action Steps may be associated with one or more of six (6) Impediments identified in the 2013 Analysis of Impediments to Fair Housing Choice for the State of Texas, for both HUD and non-HUD funded activities. The database allows TDHCA to better review current efforts and identify areas for improvement. Database reports are regularly shared with TDHCA's Board of Directors.

On August 17, 2015, HUD adopted the Final Affirmatively Furthering Fair Housing Rule (the "AFFH 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. Upon its final release, staff is preparing to meet the requirements of the 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 State continues to have concerns that the AFH tool as crafted effectively creates a process that promotes race based decision-making by recipients of HUD funds in violation of the Equal Protection Clause of the U.S. Constitution. In addition, TDHCA has provided comment that the proposed State Assessment Tool is an overreach, into sources outside the purview of HUD and beyond HUD's statutory authority.

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. Entities must follow the current AI process until submitting an AFH. Staff has created and shared informational resources related to the final AFFH rule. The State of Texas assessment of fair housing will be due to HUD in May 2019, pending release of the state tool. As of the writing of this document, HUD has not finalized the State Assessment of Fair Housing tool. The AFFH Rule and interim HUD guidance provide that "until such time as [a] program participant [is] required to submit an AFH, the program participant shall continue to conduct an analysis of impediments…in accordance with requirements in effect prior to August 17, 2015" (24 CFR 5.160(a)(3). HUD must provide a minimum of nine months after the publication of the final Assessment Tool when setting a new deadline for submission of the AFH. Staff are seeking clarity from HUD on next steps and have prepared work plans to complete either the Analysis of Impediments to Fair Housing Choice ("AI") or the Assessment of Fair Housing. Outreach will be conducted following the process outlined in the Citizen/Community Participation Plan.

Disaster Recovery

On August 25, 2017, Hurricane Harvey ("Harvey") made landfall in Texas as a Category 4 hurricane and remained within Texas for several days causing numerous counties to sustain significant and catastrophic damage. 39 counties have been designated by the Federal Emergency Management Agency as eligible for individual assistance. TDHCA is committed to assisting in all ways possible. Typical response to disasters (hurricanes, forest fires, tornadoes, etc.) via the Department progresses through several phases and accesses various programs at different points.

In the immediate response period, programs such as LIHEAP and Community Services Block Grant ("CSBG") are channeled through the existing program network of providers to deliver immediate assistance including, but not limited to, such things as provision of food, clothes, fuel, temporary housing, and personal items.

In the short to mid-term those same subrecipients are able to continue providing ongoing CSBG eligible assistance. Additionally the Department may, through direct award to existing subrecipients or fast-response Notices of Funding Availability, offer funding opportunities to provide disaster related assistance through HOME (including tenant-based rental assistance), Emergency Solutions Grants, or Homeless Housing Services Program.

In the longer term, should any additional federal or state resources be appropriated for programs assigned to the Department, staff will develop and present future plans for the use of such funds for longer term recovery activities. Even if additional resources are not provided, the staff will assess current available funding for possible use of disaster recovery including the programs listed herein, and the Housing Choice Voucher Program and the 811 Project Rental Assistance Program. Additionally, as the Department has a significant portfolio of single and multifamily loans, for which some of the properties are located in the affected counties, the Department may be able to alleviate households or properties' immediate housing obligations through payment deferment or other remedies.

At the Board meeting of September 7, 2017, the Board authorized the reprogramming of approximately $3,705,024 of 2016 and 2017 CSBG funding to be used immediately and specifically for assisting households affected by Harvey. These reprogrammed CSBG funds were provided to CSBG Eligible Entities specifically for delivery of services in those counties having a FEMA disaster declaration for Individual Assistance ("IA"). Uses of the funds may be for immediate expenditure related to direct assistance for the provision of food, clothes, fuel, temporary housing, personal items, or other CSBG eligible activity as needed by households at or below 125% of federal poverty directly impacted by Harvey from the affected counties.

Also at the Board meeting of September 7, 2017, the Board authorized the Executive Director of the Department to take prompt action as needed to provide disaster response and recovery efforts with the condition that the Chairman of TDHCA's Governing Board and the Office of the Governor are kept advised of matters being undertaken. Actions taken under this authority must be brought to the Governing Board for ratification and adoption as the acts and deeds of the Governing Board. Following consultation with the Governing Board and the Office of the Governor, the following items were presented to the Board for ratification and adoption on October 12, 2017:

- Implementation of a disaster response loan policy, approved on September 8, 2017, providing for deferrals and actions of the Department in its role as a servicer of loans held by the Department. These actions are intended to offer relief to borrowers with TDHCA-owned mortgages located with FEMA-declared disaster areas that are eligible for FEMA Individual Assistance. The approved actions include waived late fees for affected mortgages, temporary suspension or forbearance of mortgages, allowing monthly loan payments to only cover the required escrow portion of the payment for up to six months, individually reviewing delinquent mortgages to determine appropriate relief options, reporting loans in areas affected by the disaster as deferred with a special disaster-related comment code to credit bureaus, suspending delinquency notices for mortgages in affected counties for September through November, continuing regular billing statements to assist in better pursuing subsequent contact, and suspending foreclosures and/or evictions that would have been initiated for properties in affected areas for 3 months.
- Award of $1,000,000 in Low Income Home Energy Assistance Program ("LIHEAP") funds for Baker Ripley to assist eligible low income households of Harris County affected by Harvey with the payment of their utility bills. Assistance with utility bills may come in the form of payment for outstanding utility bills, reconnection fees, future monthly bills, and the potential use of vouchers for overnight hotel stays until power is restored to their home.
- Forbearance of loan payments for three months for Foundation of Hope, Inc. in order to immediately address property repairs required as a result of Hurricane Harvey for Rincon Point, a property in San Patricio County.
- Unrequested HOME funds in the amount of $9,086,316 were subtracted from the 2017-1 Multifamily Direct Loan NOFA and subsequently added to the current HOME Disaster Reservation Fund for single family activities, also known as Disaster Relief Set-Aside, resulting in approximately $11 million in HOME funds available for this purpose.
- HOME Program staff contacted HOME administrators who serve areas impacted by Hurricane Harvey and were approaching a contract benchmark to determine if an extension to the contract benchmark was warranted as a result of the disaster.
- Issuance of separate contracts to reallocate $261,827.46 in uncommitted Emergency Solutions Grant Program ("ESG") funds to three 2016 ESG Subrecipients whose service area includes at least one county with a presidential disaster declaration for the provision of emergency sheltering assistance and necessities of life to eligible households. The three 2016 ESG Subrecipients are Mid-Coast Family Services, the Alliance of Community Assistance Ministries (ACAM), and SEARCH Homeless Services.
- For HOME and ESG the Department has accepted several programmatic waivers from HUD.

SPECIAL NEEDS POPULATIONS

In addition to the policy initiatives described in the previous section, TDHCA addresses special needs populations in a variety of ways. The special needs populations discussed were designated by HUD as populations to consider in the Consolidated Plan, designated by TDHCA or included in Tex. Gov't Code Chap. 2306, 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 discussed in this section. For data on special needs populations in the State of Texas and additional detail on housing needs of these populations see the Housing Analysis section (Section 2).

Special Needs Populations include:

- Elderly Persons (§2306.0721(c)(1) and HUD)
- Farmworkers (§2306.0721(c)(1))
- Persons Experiencing Homelessness (§2306.0721(c)(1) and HUD)
- Persons Living with HIV/AIDS and Their Families (HUD)
- Persons with Disabilities (mental, physical, developmental) (HUD)
- Persons with Substance Use Disorders (HUD)
- Persons with Violence Against Women Act ("VAWA") Protections (TDHCA and HUD)
- Residents of Colonias (§2306.0721(c)(12) and HUD)
- Residents of Public Housing (HUD)
- Veterans and Wounded Warriors (§2306.0721(c)(1))
- Youth Aging Out of Foster Care (§2306.0721(c)(1))

ELDERLY PERSONS

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 "Community Involvement" in the next chapter, Public Participation.

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.

FARMWORKERS

TDHCA addresses farmworker issues by licensing and inspecting migrant labor housing facilities 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 licensing 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 FY2017 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% of the units for persons with special needs. One of the nine special needs categories for the HTC Program is farmworkers.

PERSONS EXPERIENCING HOMELESSNESS

TDHCA administers the CSBG Program, CEAP, ESG, and HHSP to serve persons at risk of homelessness or experiencing homelessness.

The Ending Homelessness fund, established by the 85th Texas Legislature, may initially be used as matching funds for the ESG Program until funding reaches an adequate level to support an autonomous program. For the long term uses of the Ending Homelessness Fund, TDHCA will be seeking input from stakeholders, including roundtable discussions, an online forum, and a formal rulemaking process.

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 "Community Involvement" in the next chapter, Public Participation.

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% of the units for persons with special needs. One of the nine special needs categories for the HTC Program is homeless populations.

PERSONS LIVING WITH HIV/AIDS AND THEIR FAMILIES

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 households. 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. Through the 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. 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, El Paso, Fort Worth, Houston, and San Antonio receive HOPWA funds directly from HUD.

The QAP, which governs TDHCA's Competitive 9% HTC program, offers points in the scoring criteria for developments that propose to set aside 5% of the units for persons with special needs; One of the nine special needs categories for the HTC Program is persons with HIV/AIDS.

PERSONS WITH DISABILITIES (Mental, Physical, and Developmental)

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:

- Tex. Gov't Code Chap. 2306 and TDHCA's Uniform Multifamily Rules 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.

- Tex. Gov't Code Chap. 2306 and TDHCA's Uniform Multifamily Rules prohibit all TDHCA Multifamily properties from refusing to rent to households with Housing Choice Vouchers and other federal/state/local subsidy programs solely on the basis of participation in such programs. The copy of the Tenant Rights and Resources Guide mentioned previously will also assists in highlighting this TDHCA monitored property provision for tenants, PHAs, Legal Aid, and other housing advocacy groups. Specific 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 2018 Qualified Allocation Plan, which was approved by the TDHCA Board on November 9, 2017, includes as a scoring item participation in TDHCA's HUD-funded grant for the 811

PRA Demonstration Program, which is intended to offer additional housing options for persons with disabilities through project based Housing Choice vouchers that will be utilized in its Housing Tax Credit portfolio.

Highlights specific to Single Family and Community Affairs Programs:

- Project Access Vouchers currently total 140, which maximizes the amount of assistance provided to low-income households with persons with disabilities. Project Access serves as a voucher source for individuals exiting nursing facilities, Intermediate Care Facilities, psychiatric hospitals, 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).

- Advocates for the aging 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. Through the Amy Young Barrier Removal Program, 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.

The CEAP, WAP, HOME Program, HTC Program, Multifamily Bond Program, NSP, HTF Program, Housing Choice Voucher 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 and the Disability Advisory Workgroup, both of which collaborate with groups representing people with disabilities, described under "Community Involvement" in the next chapter, Public Participation.

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 Tex. Gov't Code §2306.111(c) and subject to the submission of qualified applications, 5% of the annual HOME Program allocation is allocated for serving persons with disabilities living in any part of the state. The 2017 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 making the unit more accessible.

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 5% of the development's units be accessible for persons with physical disabilities and at least 2% of the units be accessible for person with hearing and visual impairments. The draft 2018 Uniform Multifamily Family Rule requires that would otherwise be exempt to comply with Fair Housing accessibility requirements.

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% 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 2017/2018 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); persons with substance use issues; veterans; survivors of domestic violence; youth aging out of foster care; or persons transitioning out of incarceration.

TDHCA is 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 provide project-based rental assistance 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. Eligible households must include 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 Texas HHS, which was a requirement of the Section 811 PRA grant application. This Inter-Agency Agreement outlines the targeted populations for the Section 811 program, methods of outreach and referral and commitments of availability of services from Texas HHS contractors.

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% 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% 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 previously 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 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 aging Texans; (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, Tex. Gov't 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 SUBSTANCE USE DISORDERS

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% 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 2017/2018 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); persons with substance use issues; veterans; survivors of domestic violence; youth aging out of foster care; or persons transitioning out of incarceration.

PERSONS WITH VIOLENCE AGAINST WOMEN ACT ("VAWA") PROTECTIONS

The Texas Health and Human Services Commission Family Violence Program funds for survivors of domestic violence 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 survivors 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, including survivors of domestic violence. The State ESG program typically funds a number of programs serving survivors of domestic violence because many shelters in Texas serve that subpopulation and in the competition for funds, their applications have scored competitively.

The QAP, which governs the Competitive 9% HTC program, offers points in the scoring criteria for developments that propose to set aside 5% 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.

In 2017, the Department updated its rules, website, and training materials to explain to Owners and Subrecipients their requirements under VAWA.

RESIDENTS OF COLONIAS

The OCI, HOME, HTF, and HTC 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 some 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 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 assistance providers can also provide 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 Assistance Grants Program 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% 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.

RESIDENTS OF PUBLIC HOUSING

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 Housing Choice Voucher Program also works collaboratively with other housing authorities in placing Project Access clients; through those collaborations vouchers are "recycled" and more tenants assisted.

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 AND WOUNDED WARRIORS

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 was 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.

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 ("TVC"), and the 85th Texas Legislature transferred funding directly to the TVC budget. TDHCA is no longer required to transfer funds to the TVC. 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 veterans experiencing homelessness; 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 began administering those vouchers in January 2016.

ESG Subrecipients may choose to prioritize certain subpopulations to serve with their ESG state funds. In the 2017/2018 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); persons with substance use issues; veterans; survivors of domestic violence; youth aging out of foster care; or persons transitioning out of incarceration.

The QAP, which governs the Competitive 9% HTC program, offers points in the scoring criteria for developments that propose to set aside 5% 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

The 84 (R) Texas Legislative Session's House Bill (HB) 679 required TDHCA, in conjunction with the TICH, to conduct a study of youth experiencing homelessness. The study was submitted to the Texas Legislature on December 1, 2016. *Youth Count Texas!* was an initiative headed by TDHCA for a statewide count and needs assessment of Texas youth experiencing homelessness and unstable housing 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.

Additionally, ESG Subrecipients may choose to prioritize certain subpopulations to serve with their ESG state funds. In the 2017/2018 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); persons with substance use issues; veterans; survivors of domestic violence; youth aging out of foster care, or persons transitioning out of incarceration.

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, income eligible 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.

The Department is one of 25 states awarded funds for the Section 811 PRA Program by HUD. The purpose of this program is to provide long-term project-based rental assistance for extremely low-income persons with disabilities. Youth and young adults exiting foster care with disabilities are 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 obtain public input to inform decisions regarding the development of policy, the design of programs, and the use and allocation of limited resources. This section outlines how the public contributes to the preparation of the Plan and includes information about the public comment process.

This section of the SLIHP includes the following information per Tex.Gov't Code §2306.072 and §2306.0721:

- An explanation of efforts and activities that ensure the participation and involvement of individuals of low income and their community-based institutions in Department programming and planning as required by Tex. Gov't Code §2306.072(c)(3-4).
- A summary of public comments received in regards to the State of Texas Low Income Housing Plan and Annual Report as required by Tex. Gov't Code §2306.0721(c)(13).

This section is organized as follows:

- Community Involvement: Discusses interagency collaboration and engagement of stakeholders on specific issues.
- Participation in TDHCA Programs: Discusses efforts to ensure that individuals of low income and community-based institutions participate in TDHCA programs.
- Public 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.

COMMUNITY INVOLVEMENT

TDHCA's participation in numerous committees, workgroups, and councils allow the Department to stay apprised of other resources for affordable housing and community affairs related activities. 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 low-income Texans, including 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")	Texas Health and Human Services
Colonia Residents Advisory Committee ("C-RAC")	TDHCA
Faith and Community-Based Initiative	One Star Foundation
Disability Advisory Workgroup ("DAW")	TDHCA
Housing and Health Services Coordination Council ("HHSCC")	TDHCA
Reentry Task Force	Department of Criminal Justice
Statewide Behavioral Health Coordinating Council ("SBHCC")	Texas Health and Human Services
Texas Interagency Council on the Homeless ("TICH")	TDHCA
Texas State Fair Housing Workgroup	TDHCA
Texas State Independent Living Council ("SILC")	Texas Health and Human Services
Texas Coordinating Council for Veteran Services	Texas Veterans Commission
Weatherization Assistance Program Planning Advisory Committee ("WAP PAC")	TDHCA

TDHCA's workgroups and coordination groups for which it is the lead agency are discussed in this section, listed alphabetically.

Colonia Residents Advisory Committee ("C-RAC")

C-RAC is a committee of colonias residents appointed by the TDHCA Governing Board which advises the Department on the needs of colonias 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 colonias residents—who actually reside in the colonias to be assisted by the local Colonia SHC—to serve on the committee for four years. The C-RAC reviews the county proposals and may make recommendations on contracts for the Colonia SHCs to the Department 30 days before the proposal is considered for an award by the TDHCA Governing 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. Providing services and housing to persons with disabilities presents unique challenges and opportunities. In order to augment TDHCA's formal public comment process, a workgroup is utilized, affording staff the opportunity to interact and receive input more informally and in greater detail with various stakeholders and to get feedback on designing and planning more successful programs for persons with disabilities. 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 the TDHCA website, social media, and email lists.

Housing and Health Services Coordination Council

The HHSCC is codified in Texas Government Code §2306.1091. The purpose of the Council is to increase state efforts to offer Service-Enriched Housing ("SEH") through increased coordination of housing and health services. The Council 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.

The HHSCC is composed of 17 members: eight members appointed by the Governor, and nine State agency representative members. The Executive Director of the Texas Department of Housing and Community Affairs serves as the Council Chair and one TDHCA staff supports the Council activities. A list of HHSCC members can be found on TDHCA's website here: http://www.tdhca.state.tx.us/hhscc/members.htm

Council members meet quarterly and provide direction to the staff to prepare a Biennial Report of Findings and Recommendations that is submitted to the Legislative Budget Board and the Office of the Governor on August 1 each even numbered year. This Report along with a Biennial Plan is available to the public on the TDHCA website at http://www.tdhca.state.tx.us/hhscc. Meetings are open to the public. Notice is given to the public in the *Texas Register*, on TDHCA's Web Site, through an email list, and social media. Anyone may join TDHCA email lists by visiting this site: http://maillist.tdhca.state.tx.us/list/subscribe.html?lui=f9mu0g2g&mContainer=2&mOwner=G382s2w2r2p. The Council has also contracted with the Corporation for Supportive Housing to develop and implement a package of training and technical assistance services related to SEH.

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 nine 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 direct 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 persons experiencing homelessness 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 persons experiencing homelessness; and
- maintaining a central resource and information center for persons experiencing homelessness.

The TICH submits an annual progress report to the governing bodies of the agencies represented on the council. The 2016 Annual Report is available on the TICH website at http://www.tdhca.state.tx.us/tich/index.htm.

In 2016 TDHCA, in conjunction with the TICH, also released a study of veterans experiencing homelessness, which is available online at http://www.tdhca.state.tx.us/tich/hvs.htm, and performed a count and study of homelessness in youth, which is available online at http://www.tdhca.state.tx.us/housing-center/youthcounttexas.htm.

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. For 2018, the Fair Housing Workgroup will focus on complying with HUD's final Affirmatively Furthering Fair Housing rule and completing an Assessment of Fair Housing, pending release of the final state Assessment of Fair Housing tool.

In 2017, staff revised the State's Citizen/Community Participation Plan ("CPP") to comply with the U.S. Department of Housing and Urban Development's ("HUD's") Affirmatively Furthering Fair Housing Rule. The rule requires consultation and community participation in the analysis of fair housing data, an assessment of fair housing issues and contributing factors, and an identification of fair housing priorities and goals. The CPP was amended and finalized in November 2017 as a part of the amendment to the 2017 One-Year Action Plan. The citizen/community participation plan must be amended prior to the initiation of the Assessment of Fair Housing ("AFH") process. The plan aims to reach a broad audience. In the development of HUD required fair housing documents, the State plans to consult with housing agencies administering public housing, Public Housing Authorities ("PHAs"), state-based and regionally based organizations that represent protected class members and organizations that enforce fair housing laws, including agencies that participate in HUD's Fair Housing Initiatives Program ("FHIP") and HUD's Fair Housing Assistance Program ("FHAP").

Weatherization Assistance Program Planning Advisory Committee

The WAP PAC is comprised of representatives of organizations and agencies who provide program expertise and input in the planning of weatherization funds. 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. Other representatives include tribal representatives, weatherization providers, energy providers and consumer-related groups.

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, real estate and lending events, 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 Division of Policy and Public Affairs performs two key functions through two intertwined sections: legislative affairs and communications/marketing. The Legislative Affairs section is TDHCA's main link between the Department and the Office of the Governor, members of the Texas Legislature and Texas Congressional delegation, state and federal agencies, and housing and community service organizations throughout the state. It is responsible for assisting the Department's leadership in the development and implementation of policy related to legislative mandates. The Communications/Marketing section is responsible for producing news releases and outreach and educational materials, responding to inquiries from the news media, TDHCA's social media activities and administering TDHCA's speaker's bureau. The TDHCA's Speaker Bureau website can be found at http://www.tdhca.state.tx.us/housing-center/speaker-bureau.htm

- The Department has initiated a Public Comment Center on its Internet website. Launched in March 2016, it is designed to enhance public participation by making the public comment process easier and more transparent for those interested in commenting on Department rules and programs. The Public Comment Center can be found at http://www.tdhca.state.tx.us/public-comment.htm.

- 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. The Help for Texans online database provides a statewide resource for individuals and households seeking assistance. The Help for Texans online database provides contact information for housing and housing-related programs funded or operated by TDHCA and other housing service providers. Help for Texans is available at http://www.tdhca.state.tx.us/texans.htm.

- 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, a legislatively required Report on Homelessness Among Veterans, and a variety of program-related rules.

- TDHCA is involved with a wide variety of committees and workgroups, listed in the Community Involvement section at the beginning of this chapter, 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.

- TDHCA releases an annual ESG survey seeking direct program input from each Continuum of Care ("CoC") and their member agencies regarding allocation of ESG funds, development of performance standards and outcome evaluations, and development of funding, policies, and procedures for the administration of the Homeless Management Information System ("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.

- The Department's Compliance Division sends an online survey to program administrators and subrecipients, following a monitoring visit to receive feedback on the monitoring process and provide an established and formal channel of communication between Department staff and program administrators and subrecipients. The Compliance Division provides a quarterly report to the Department's Board of Directors to share the results of the survey with the Board members and the public.

- The Department contracted with the Ray Marshall Center of the University of Texas at Austin to conduct a series of focus groups and a resident survey among residents of the Department's Housing Tax Credit ("HTC") properties. The goal was to gather feedback on what is most important to residents so that the Department can best meet low- to moderate-income residents' needs. The four focus groups gave residents an opportunity to share their experiences. The moderators of these focus groups sought to attract diverse groups that reflect the variety of residents the Department serves—rural, elderly, various income levels, families, persons with disabilities, etc. The survey was available in both online and paper formats, with paper surveys being weighted towards elderly and rural Developments. Like the focus groups, the survey sought residents' varied perspectives on what unit, Development, and neighborhood features best meet their needs. With this knowledge tabulated in datasets that protect residents' anonymity, staff will be able to ask specific research questions about the needs of residents while simultaneously differentiating among their backgrounds. Such a tool will allow for the Department to create rules that better serve the specific needs of residents.

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 round tables, 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 and in federal program requirements. 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

Tex. Gov't Code §2306.0722 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, roundtables, online forums, and public hearings in order to receive input that impacted policy and shaped the direction of TDHCA programs.

PUBLIC COMMENT PERIOD AND PUBLIC HEARING

A 43-day public comment period for the SLIHP was held from Monday, December 18, 2017, through Wednesday, January 31, 2018, at 6:00 pm. Austin Local Time. A 30-day public comment period was originally scheduled to conclude January 18, 2018 but was extended due to inclement weather. A public hearing was held on Tuesday, January 30, 2018, at Health and Human Services Commission CO2 Main Building, 909 West 45th Street, PHR 164 in Austin.

PUBLIC COMMENTS

The Department received one comment from one source: Alamo Area Council of Governments ("AACOG").

<u>Comment 1</u>: AACOG commented that the 2018 State of Texas Low Income Housing Plan and Annual Report should make reference to the definition of “supportive service-enriched communities” which is an agenda item on the January 31, 2018, Housing and Health Services Coordination Council Quarterly Meeting.

> **Department Response**: The Housing and Health Services Coordination Council (“HHSCC” or “the Council”) is codified in Tex. Gov’t Code §2306.1091 and is coordinated through TDHCA (http://www.tdhca.state.tx.us/hhscc/index.htm). The purpose of the Council is to increase state efforts to offer service-enriched housing through increased coordination of housing and health services. The Council 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. Listed on the January 31, 2018, HHSCC Quarterly meeting agenda was a Discussion of the definitionof Service-Enriched Housing (10 TAC, Chapter 1, Subchapter A, §1.11). Any continued definition discussion and rule review by HHSCC will not affect the SLIHP, but will be considered during formal review of that rule found at 10 TAC, Chapter 1, Subchapter A, §1.11.. Notification of open public comment periods is made through the *Texas Register*, which can be found at: https://www.sos.state.tx.us/texreg/about.shtml. No changes have been made to the 2018 SLIHP in response to this comment.

SECTION 6: 2018-2019 COLONIA ACTION PLAN

This section of the SLIHP includes the following information per Tex. Gov't Code §2306.0721:

A biennial action plan for colonias, which discusses housing and community development needs in the colonias, describes TDHCA's policy goals, and summarizes the strategies and programs designed to meet these goals and describes projected outcomes to support the improvement of living conditions of colonia residents as required by Texas Government Code §2306.0721(c)(12)(A-B).

This section is organized as follows:

- Policy Goals
- Overview
- Population and Poverty
- Housing
- Colonia Beneficiaries
- Colonia Self-Help Centers
- Border Field Offices
- Texas Bootstrap Loan Program

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

An estimated 500,000 people live in 2,294 colonias in Texas, of which more than 40% live below the poverty line, and an additional 20% live at or just above the poverty line (Federal Reserve Bank of Dallas, April 2015). 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. Based on a 2014 assessment by the Texas Office of the Secretary of State's Colonia Initiatives Program, 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.

The American Community Survey's 2011-2015 data placed the median household income for Texas at $53,207, while the median household income for the Texas-Mexico border counties range between $22,741 and $53,678, 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 $22,741. In the counties containing larger border-region cities El Paso, McAllen, Brownsville, and Laredo, the average median values of owner-occupied housing units is $95,475. El Paso County has the highest median home values at $113,900.

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 2011-2015 American Community Survey, the poverty level in the State of Texas stood at 17.3%, while the four counties with the greatest number of colonias (Zapata, Willacy, Starr, and Hudspeth) had poverty rates of 37.4%, 39.0%, 36.6%, and 40.3% respectively. Of these counties, all had poverty rates that were more than double the state's rate.

HOUSING

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).

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 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 October 2017. This data is reported by 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 throughout the 2018-2019 biennium.

Colonia Self-Help Centers Open Contracts as of October 2017

County	Total Population Beneficiaries	Total Low- to Moderate-Income Beneficiaries
Cameron/Willacy	15,740	11,512
El Paso	9,100	8,645
Hidalgo	1,838	1,183
Eagle Pass*	4,923	3,938
Starr	1,746	1,746
Val Verde	5,391	5,391
Webb	1,886	1,886
Total	40,624	34,301

* 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, reconstruction and new construction. OCI anticipates that the percentages of funding by activity in the table below will be similar throughout the 2018-2019 biennium.

Colonia Self-Help Center Activities for Open Contracts as of October 2017

Activity	Funding	Percentage
Administration	$ 867,000	15%
Construction	$ 4,041,000	67%
Public Service	$ 472,000	8%
Drainage	$ 620,000	9%
Total	$ 6,000,000	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 are being implemented for FY 2018 and 2019.

FY 2017 – FY 2018 Office of Colonia Initiatives Funding

Programs	Funding for FY 2017	Estimated Funding for FY 2018	Estimated Funding for FY 2019
Texas Bootstrap Loan Program	$3,000,000	$3,000,000	$3,000,000
Colonia Self-Help Centers	$1,488,785	$1,500,000*	$1,500,000*
TOTAL	$4,488,785	$4,500,000	$4,500,000

*The federal budget for FY 2018 and FY 2019 has not been passed at this time. HUD's budget could potentially be cut, but we do not know how or if that will affect CDBG funding.

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, local unit of government, 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 40,624 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 reside in the same 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% 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 unit of general local government 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 2018 and 2019. 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 3,380 targeted technical assistance to individual colonia residents through the Colonia SHC Program as a whole.

TEXAS BOOTSTRAP LOAN PROGRAM

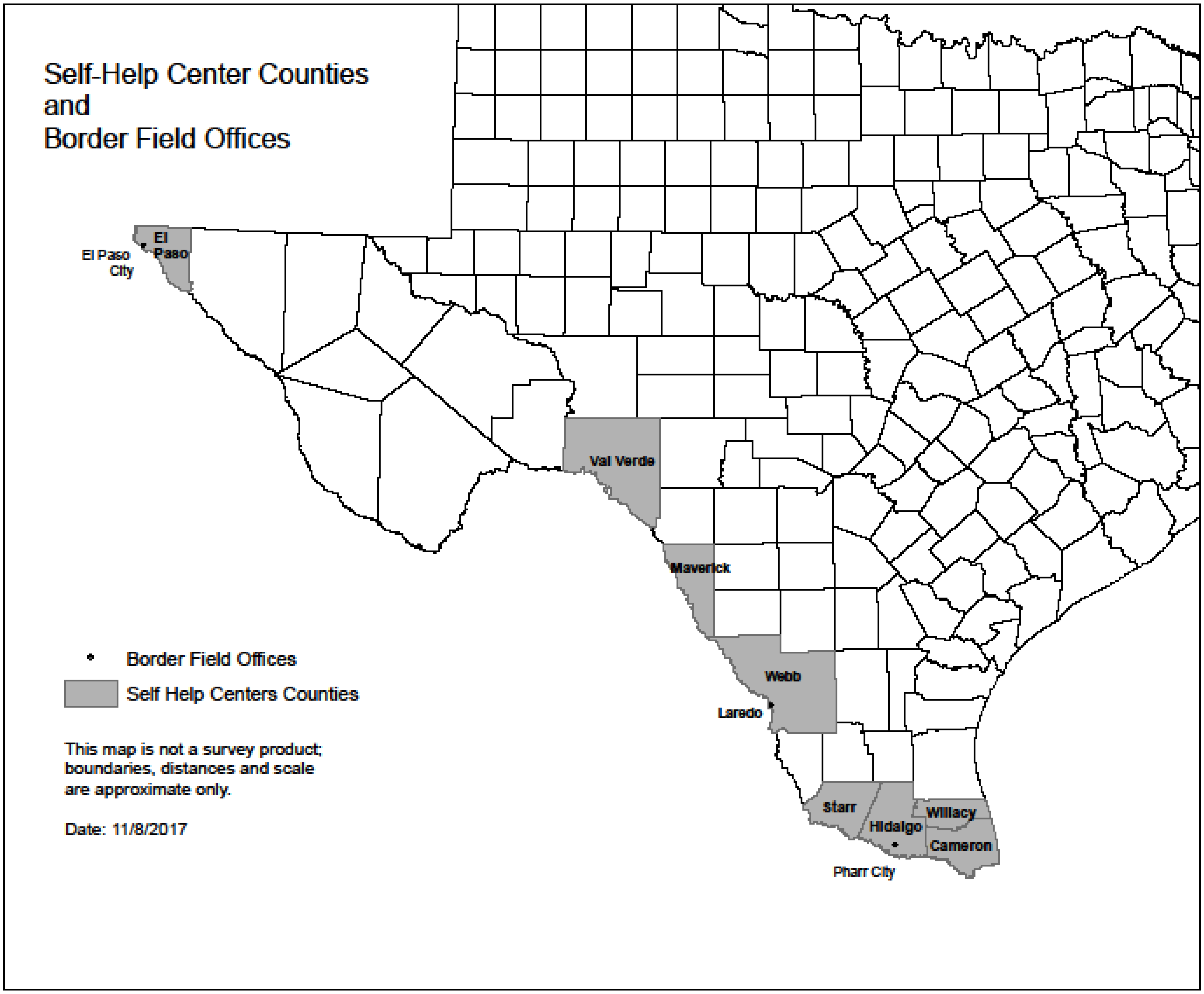
The Texas Bootstrap Loan Program is a statewide program that provides funds to Colonia SHCs or certified non-profit organizations to enable eligible households (also known as "Owner-Builders") to purchase real estate and construct or renovate a home using sweat equity. Under Tex. Gov't Code §2306.753(d) 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. Tex. Gov't Code §2306.753(a) 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.

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 Providers ("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 2018 and $3,000,000 for FY 2019. 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 7: TEXAS STATE AFFORDABLE HOUSING CORPORATION ANNUAL ACTION PLAN

TEXAS STATE AFFORDABLE HOUSING CORPORATION
2018 ANNUAL ACTION PLAN

Approved February 15, 2018
By Texas State Affordable Housing Corporation
Board of Directors

TEXAS STATE AFFORDABLE HOUSING CORPORATION

2018 ANNUAL ACTION PLAN

INTRODUCTION

This plan is prepared in accordance with Texas Government Code, Section 2306.566, which requires the Texas State Affordable Housing Corporation ("Corporation") to develop a plan to address the state's housing needs. Texas Government Code, Section 2306.0721(g) requires the Corporation's Annual Action Plan to be included in the State Low Income Housing Plan ("SLIHP") prepared by the Texas Department of Housing and Community Affairs ("TDHCA").

CORPORATION OVERVIEW

The Texas State Affordable Housing Corporation, created in 1994 at the direction of the Texas State Legislature, is a self-sustaining nonprofit entity whose mission is to serve the housing needs of moderate to extremely low-income Texans and other underserved populations who cannot access comparable housing options through conventional financial channels. The Corporation's enabling legislation can be found in Texas Government Code, Chapter 2306, Subchapter Y, Sections 2306.551 et seq.

The Corporation's office is located in Austin, Texas. A five-member volunteer Board of Directors, appointed by the Governor of Texas, oversees the policies and business of the Corporation. None of the Corporation's programs or operations are funded through the State's budget appropriations process.

The Corporation is statutorily authorized to issue mortgage revenue bonds and other tax exempt bonds to finance the purchase and creation of affordable housing. The Corporation also has the authority to use loans from banks, private mortgage companies, nonprofit organizations and other financial institutions to assist low, very low, and extremely low income Texans. Over the course of its history, the Corporation has utilized more than $2.3 billion in single family bonding authority and approximately $747 million in multifamily private activity bonds.[1] Bond issuances are used to finance the creation and preservation of affordable multifamily housing and the following home buyer programs:

- Homes for Texas Heroes Home Loan Program
- Home Sweet Texas Home Loan Program
- Mortgage Credit Certificate Program

Using its mission and statutory purpose and powers as guidance, the Corporation has developed the following additional programs, services and initiatives to help meet the need for affordable housing in Texas:

- Home Buyer and Financial Education
- Texas Housing Impact Fund
- Affordable Communities of Texas

[1] 2017 Corporation bond activity includes the issuance of $928,015,269 in mortgage revenue bonds for the Mortgage Credit Certificate program and the issuance of $22,560,000 in Multifamily Private Activity Bonds.

- Asset Oversight and Compliance
- Single Family Rental Program
- Multifamily Rental Program
- Texas Foundations Fund and Other Initiatives

CORPORATION OBJECTIVE

The programs and services the Corporation administers have evolved and grown over the years as it works to serve the housing needs of Texans who need affordable housing and underserved populations, such as people with disabilities and people living in rural areas of the state where access to services and programs is limited. In 2018, the Corporation's objective is to continue to implement innovative approaches to fulfill its mission while expanding the success of its current programs.

PROGRAM DESCRIPTIONS AND IMPLEMENTATION PLANS

HOMEOWNERSHIP PROGRAMS

Over the last decade research has consistently shown that homeownership has a positive impact on the socioeconomic status of a household and their community. The financial benefits range from yearly tax benefits to the creation of wealth over time earned through monthly mortgage payments.[2]

In addition to financial benefits, there are social benefits to homeownership. Research conducted by the National Association of REALTORS® showed that stable housing created by homeownership led to improved children's health and happiness, reduced crime rate, increased civic engagement, and better educational outcomes for children of homeowners.[3]

The Corporation currently administers the Homes for Texas Heroes and Home Sweet Texas Home Loan Programs, which provide 30-year fixed-rate mortgage loans, tax credits and down payment assistance to low and moderate-income families and individuals. The down payment assistance is provided in the form of a grant that does not require repayment when the home is sold or the mortgage loan is refinanced.

These programs are available statewide on a first-come, first-served basis to home buyers who wish to purchase a newly constructed or existing home. Home buyers must meet income and purchase price limits set by federal guidelines, while demonstrating creditworthiness and meeting standard mortgage underwriting requirements. Home buyers must also occupy the purchased home as their primary residence. The programs are accessible to eligible borrowers by directly contacting a participating mortgage lender.

Traditionally, the Corporation has funded these programs through the tax-exempt bond market by issuing mortgage revenue bonds available under its statutory authority. All of the Corporation's bond issuances are subject to oversight by the Texas Bond Review Board. More recently the Corporation has funded these programs by pooling loans on a regular basis and selling the mortgage-backed securities.

The Homes for Texas Heroes Home Loan Program, established by the Legislature in 2003, is allocated 10 percent of the State's private activity bond cap for the purpose of making mortgage loans to:

- Public School Classroom Teachers
- Public School Teacher's Aides
- Public School Librarians
- Public School Nurses
- Public School Counselors
- Faculty Members of an Allied Health or Professional Nursing Program
- Paid Firefighters
- Emergency Medical Services Personnel
- Peace Officers
- Corrections Officers

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[2] Source: Michael Corbett, "Freshen Up on the 7 Financial Benefits of Homeownership," trulia.com, April 23, 2015

[3] Source: "4 Social Benefits of Homeownership," REALTOR®Mag, October 25, 2017

- Juvenile Corrections Officers
- County Jailers
- Veterans
- Public Security Officers

In 2006, the Corporation created the Home Sweet Texas Home Loan Program to serve home buyers not eligible for the Homes for Texas Heroes Home Loan Program. The Home Sweet Texas Home Loan Program is not profession-specific. Both the Homes for Texas Heroes and Home Sweet Texas Home Loan Programs are available statewide to those with incomes at or below 115 percent of the area median family income.

Prior to April 1, 2017, the Home Sweet Texas Home Loan Program was available to households with incomes at or below 80 percent of the area median income. On April 1, 2017, the Corporation expanded income eligibility to 115 percent of the area median income to address the housing needs of moderate income Texans who increasingly need assistance due to surging home prices statewide.[4]

Mortgage Credit Certificate Program

In 2008, the Corporation established the Mortgage Credit Certificate (MCC) Program as another way to assist first-time home buyers. The MCC Program is made possible under IRS rules that allow the conversion of single family mortgage revenue bonds into Mortgage Credit Certificates. The Corporation's MCC Program serves the same populations eligible for the Homes for Texas Heroes and Home Sweet Texas Home Loan Programs; however, the program is only available to first-time homebuyers (defined as those who have not owned a home in three years.)

Under the MCC Program, the home buyer can take a portion of the annual interest paid on the mortgage loan as a special tax credit, up to $2,000 each year that they occupy the home as their principal residence. An MCC has the potential of saving the home buyer thousands of dollars over the life of the loan. And although the MCC Program is not a home loan program, the Corporation requires the home buyer to obtain a fixed-rate mortgage loan. Home buyers can also combine the MCC Program with the mortgage loan and down payment assistance provided under the Homes for Texas Heroes and Home Sweet Texas Home Loan Programs.

2017 Homeownership Programs Expansion

Since its inception the Corporation has continued to stay abreast of any changes or developments in the mortgage industry. In 2017, the Corporation made three notable changes to respond to industry trends and meet consumers' needs.

The first was expanding the income eligibility for the Home Sweet Texas Home Loan program as noted above. As of October 31, 2017, the U.S. homeownership rate stood at 63.9% which is nearly identical to the third quarter rate of 2016.[5] This is well below the all-time high of 69.2% in 2004. At 61.5% as of June 2017, the Texas homeownership rate is even lower than the U.S. homeownership rate.[6] Rising home prices and an overall low inventory of available starter homes to meet demand are the main contributors to the lagging homeownership rate in both Texas and the United States

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[4] Source: Steve Brown, "Texas home prices have skyrocketed since 2006; how D-FW compares," www.dallasnews.com, November 13, 2017

[5] Source: https://www.census.gov/housing/hvs/files/currenthvspress.pdf, October 31, 2017

[6] Source: https://fred.stlouisfed.org/series/TXHOWN, accessed November 9, 2017

as a whole.[7]

But even for those who are ready to buy a home, one of the major barriers is that many prospective buyers simply cannot accumulate sufficient funds for a down payment.[8] This problem has worsened in recent years as increasing rent prices, particularly in metro areas, continue to make saving for a down payment that much more difficult.[9] Expanding the income eligibility requirements for the Home Sweet Texas Home Loan Program allowed the Corporation to serve more Texans who want to buy a house but aren't able to save enough for a down payment often due to higher home costs and increased rents that restrict savings.

The second change was selecting a new Master Servicer to service the Corporation's loans. With the new servicer came enhancements to the Corporation's homeownership programs that allow the Corporation to provide assistance to more Texans.

The Corporation implemented a third change specifically to honor those professionals eligible for the Corporation's Homes for Texas Heroes Home Loan Program. Home buyers receiving a mortgage loan and down payment assistance grant under the Homes for Texas Heroes Program are now eligible to receive an MCC for free (a $500 savings). This program change encourages more Texas Heroes who are first-time home buyers to take advantage of the MCC Program and the tax benefits the program provides.

In 2017, the Corporation's home buyer programs helped 5,758 families purchase a home. This is more than triple the 1,791 families the Corporation assisted last year. To date, the Corporation has served more than 19,250 households under our home loan, down payment and MCC programs.

Home Buyer Education Requirement

Studies show that home buyer education empowers families and individuals with the knowledge they need to expand their housing searches, avoid risky home purchases or questionable mortgages, lower their housing costs, improve their credit scores, save more money, and avoid or resolve delinquent mortgage payments.[10]

There is also evidence that homeowners who take a pre-purchase home buyer education course have significantly lower rates of mortgage payment delinquencies. Specifically, a study conducted by Neil Mayer and Associates in collaboration with Experian found that clients receiving home buyer education prior to purchasing a home are one-third less likely to become 90 or more days delinquent over the two years after receiving their loan as compared to borrowers who do not receive that pre-purchase education or counseling.[11]

To help ensure families and individuals are well prepared for the responsibilities of owning a home, every home buyer who utilizes one of the Corporation's homeownership programs must complete an approved home buyer education course prior to closing on their home. The Corporation requires that home buyers take a course offered by a provider listed on our Texas Financial Toolbox www.texasfinancialtoolbox.com web site.[12] The providers listed on the Toolbox are generally

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[7] Source: James P. Gaines et al, "Texas Housing Insight," Texas Real Estate Center, November 2, 2017

[8] Source: Chrystal Caruthers, "Free Money: $12,000 for Down Payment, Why Aren't You Applying?," realtor.com, February 4, 2015

[9] Source: Jeff Andrews, "What rising home prices mean for your down payment," www.curbed.com, November 9, 2017

[10] Source: Evidence Matters, "The Evidence on Homeownership Education and Counseling," Spring 2016

[11] Source: Neil S. Mayer and Kenneth Temkin, "Pre-Purchase Counseling Impacts on Mortgage Performance: Empirical Analysis of NeighborWorks America's Experience," Neil Mayer and Associates on behalf of NeighborWorks America, March 2013.

[12] Texas Financial Toolbox, http://www.texasfinancialtoolbox.com/home-buyer-education

nonprofit organizations or government entities who are either HUD-approved or certified to provide home buyer education.

2018 Implementation Plan

The Corporation will look to expand the reach of our homeownership programs by continuing to build upon relationships with current lenders and recruiting additional lenders to participate in our homeownership programs. In 2017, the Corporation was very successful in recruiting new lenders primarily because of the changes it made to the homeownership programs. In 2018, the Corporation will build upon this success and continue to recruit more lenders.

The Corporation will also make a stronger push in marketing to REALTORS®. In the past two years, the Corporation has rolled out new marketing initiatives aimed towards these professionals and will continue to explore and implement new strategies in 2018.

Additionally, the Corporation will continue to market programs directly to home buyers. There are hundreds of down payment programs that provide on average $11,565 per buyer in assistance.[13] However, many home buyers aren't taking advantage of the programs because information about them is not sought out by home buyers or communicated to them.[14]

Many home buyers discover our programs directly from the Corporation's web site. In 2018, the Corporation will refresh its web site to make it even more user-friendly, allowing potential home buyers to easily access and understand information.

HOME BUYER EDUCATION AND FINANCIAL EDUCATION

In 2012, the Corporation created the Texas Financial Toolbox (www.texasfinancialtoolbox.com). The Texas Financial Toolbox gives consumers an easy way to find nonprofit organizations or government entities that can help them achieve their financial and homeownership goals through home buyer education, credit counseling or financial education.

Whether consumers want to learn how to better manage their money, find out if they're ready for homeownership, understand the home buying process and the programs that are available to help them buy a home, or learn how to avoid foreclosure, the Texas Financial Toolbox is a great place to start. Information about home buyer programs, home buyer education classes, financial education, and foreclosure prevention is available, all searchable by city. This is a unique tool the Corporation believes is providing essential information to Texas consumers.

In 2017, the Corporation expanded the Toolbox resource by creating a Down Payment Assistance Calculator (http://www.texasfinancialtoolbox.com/mortgage-calculator) to help potential home buyers determine their monthly payment using the Corporation's loan and down payment assistance options. This resource also includes a step by step guide to help families and individuals gain a better understanding of the home buying process.

The Down Payment Assistance Calculator replaced an earlier mortgage calculator created in 2010 to provide home buyers with an estimated interest rate based on their credit score.

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[13] Source: Chrystal Caruthers, "Free Money: $12,000 for Down Payment, Why Aren't You Applying?," realtor.com, February 4, 2015

[14] Source: Laurie Goodman, et. al. "Barriers to Accessing Homeownership: Down Payment, Credit, and Affordability," Urban Institute, November, 2017

Texas Statewide Homebuyer Education Program

The Texas Statewide Homebuyer Education Program (TSHEP) provides continuing education to housing counselors who provide home buyer education to consumers, most of them low-income. The Texas Department of Community Affairs (TDHCA is statutorily responsible for implementing TSHEP. However, from 2012-2017, the Corporation, through a formal agreement with TDHCA, administered and implemented TSHEP. The Corporation, in consultation with housing counselors and TDHCA, selected the training courses each year and managed the logistics surrounding the training sessions. In addition, as a nonprofit organization, the Corporation successfully raised significant funds from financial institutions to expand the program.

In 2017, housing counselors across the state had the opportunity to attend two separate trainings that furthered their skills and certified many of the participants as home buyer education providers. The Corporation contracted with NeighborWorks America, the selected education provider, to provide training specifically on pre and post-purchase home buyer education and financial education methods.

To date, 1,066 Texas housing counselors have continued their education to either maintain or obtain their home buyer education certification as a result of training they received through TSHEP. During our tenure as the administrator or TSHEP, the Corporation trained 509 counselors representing 237 organizations in 90 municipalities across Texas.

2018 Implementation Plan and the Introduction of Housing Connection

In August 2017 the Corporation decided to expand the scope of our training to include courses on real estate development and affordable housing financing in an effort to increase the capacity of nonprofits to produce affordable housing in Texas. We plan to continue to also offer home buyer and financial education. TSAHC would not be able to expand the scope of trainings under TSHEP, so we opted to no longer administer TSHEP in 2018.

The Corporation's expanded training initiative is known as Housing Connection (formerly called Counselor Connection). The program's goal is to and helps both affordable housing and counseling organizations access trainings, promote themselves, and build capacity.

In 2018, the Corporation will provide one three-day training course for housing and financial counselors. In addition, the Corporation will also provide two one-day training sessions for organizations that currently or would like to develop and/or operate affordable housing. The courses will cover the following topics: credit counseling, real estate finance and creative development financing strategies. The Corporation, with support from private and public funders, will continue to make the training as affordable as possible by subsidizing tuition costs and providing hotel scholarships for participants traveling from out of town.

TEXAS HOUSING IMPACT FUND

The Texas Housing Impact Fund (formerly known as the Direct Lending program) helps provide safe, decent, and affordable housing with an emphasis on serving rural and underserved communities by providing flexible financing options to affordable housing developers.

Leveraging investments from private foundations and banks, the Corporation is able to provide both short-term and long-term affordable housing financing to developers through the Texas

Housing Impact Fund. This funding model has enabled the Corporation to steadily grow the fund over time, with applications for new loans accepted on an ongoing basis, provided there is funding available for the program.

To date, the Texas Housing Impact Fund has financed the construction or rehabilitation of 187 single family homes and 1,901 rental units for low and moderate-income households.

The Corporation currently offers three types of loans:

- Construction lines of credit for new single-family homes
- Revolving lines of credit for acquisition/rehabilitation of single-family homes
- Permanent financing for multifamily rental properties

Single Family Construction/Rehabilitation

Homeownership is the primary means by which lower-income households create stability and build wealth for the future. According to the most recent Federal Reserve's Survey of Consumer Finances, the average net worth of a homeowner is 45 times that of the average net worth of a renter.[15]

However, due to rising housing prices, many Texans cannot afford to purchase a home in their communities. For example, according to the Real Estate Center at Texas A&M University, as of September 2017 the median home price statewide was more than $223,000, up from $209,900 in September 2016. Escalating home prices are especially problematic in urban areas like Austin (median home price of $287,700), Dallas ($270,000) and Houston ($231,298).[16]

By financing the construction or rehabilitation of single family homes that are affordable to well-qualified low and moderate-income home buyers, the Texas Housing Impact Fund is helping families and individuals achieve the dream of homeownership and build household wealth.

In 2017, affordable housing developers used financing from the Texas Housing Impact Fund to rehabilitate or construct six homes and 21 condominiums for low- to moderate-income home buyers.[17]

Multifamily Construction/Rehabilitation

The Corporation also recognizes that not all families and individuals are ready to become homeowners. Access to affordable and decent rental housing is what is most important to these households. By funding the construction or rehabilitation of affordable rental units, the Texas Housing Impact Fund helps households access safe and decent rental homes without having to sacrifice other basic needs, such as food, education or medical care.

The Corporation's Texas Housing Impact Fund generally targets smaller multifamily developments in rural areas and underserved communities. The average loan size for multifamily developments is $580,000, and the average number of units is 72. The Corporation did not award any Texas Housing Impact Fund loans for multifamily developments in 2017.

[15] Source: "Why Homeownership Matters," Forbes, August 12, 2016.
[16] Source: https://www.recenter.tamu.edu/data/housing-activity/, accessed November 13, 2017.
[17] The six homes are located in Dallas, Houston, and Port Arthur, Texas. The 21 condominiums are part of The Chicon being developed in Austin, Texas by Chestnut Neighborhood Revitalization Corporation.

Texas Housing Impact Fund Loan Production

Loan Production	2017[18]	2003 - 2016
Loans Made	4	27
# of Single Family Homes Built or Under Construction	31	181
# of Rental Units	60	1901
Amount of Loan Funds Approved	$2,045,000	$15,696,287

2018 Implementation Plan

The Corporation plans to continue to provide flexible lines of credit to developers in targeted areas. These loan products, leveraged with the Corporation's access to lower cost land through its Affordable Communities of Texas (ACT) land bank, will enable these developers to continue to construct and rehabilitate single family homes that are affordable for working families.

Additionally, the Corporation plans to continue to explore lending opportunities in small and rural markets for multifamily developments, helping local developers meet the housing needs of their communities. The Corporation will also consider loans for urban areas, particularly in areas that are rapidly changing and risk losing affordable housing.

In 2017, the Corporation released its first ever Texas Housing Impact Fund Investment Report to document the statewide impact of the program. This report will enhance the Corporation's efforts to market the Texas Housing Impact Fund to developers and potential investors. In 2018, the Corporation will update the report and will continue that practice on an annual basis.

AFFORDABLE COMMUNITIES OF TEXAS PROGRAM

The Corporation created the Affordable Communities of Texas (ACT) Program, a land bank and land trust program, in 2008 to stabilize communities experiencing high rates of foreclosure. The Corporation works in partnership with 20 nonprofit organizations across the state to acquire and redevelop foreclosed homes, vacant land and tax foreclosed properties, and then sell or rent the homes to low-income families.

To date, the Corporation has acquired 567 properties through the ACT program and has redeveloped 183[19] of these properties. The ACT Program has a current portfolio of 269 lots and homes, and there are three active components of the program distinguished by source of funding and targeted use of properties (a fourth component ended in 2016):

- ACT Land Banking – This is the Corporation's general land banking program that includes properties that are either purchased by the Corporation or donated to the Corporation. Properties are redeveloped for affordable housing. If a property is not suitable for redevelopment (i.e. poor location, high cost of redevelopment or other extenuating circumstances), the property is sold and the funds reinvested in the ACT Program.
- ACT Land Trust – Properties acquired are intended to be held in perpetuity by the Corporation. Homes built or redeveloped on land trust sites may be rented or sold to

[18] 2017 loans include new loans in the amount of $200,000 to Woman Inc.; $700,000 to Texas Housing Foundation for the Sagebrush Apartments.; and $695,000 to Accessible Housing Austin for the AHA! at Briarcliff Apartments. In addition, a line of credit for Legacy CDC was renewed in the amount of $450,000 for acquisition and rehab activities.

[19] This includes properties that may still be under contract for sale and have a sale date but have not finalized a closing.

qualified low-income households.

- Texas NSP – This category includes those homes and properties that were acquired using Texas's federal Neighborhood Stabilization Program (NSP) funding.
- Veterans Housing Initiative – This initiative was a partnership with Bank of America. The Corporation accepted higher value homes donated by Bank of America that were redeveloped and sold at a minimum 25% discount or donated mortgage-free to qualified U.S. military veterans in Texas. The Corporation sold 67 discounted homes and donated an additional 10 homes to veterans who are disabled and have low incomes. This initiative ended in 2016, but one property remains in the portfolio.

Affordable Communities of Texas Portfolio

Program/Initiative	Acquisitions 2017	Sales 2017	Current Portfolio	Current Asset Value
ACT Land Banking	1	23	57	$716,209
ACT Land Trust	0	0	1	$650,000
ACT Vet	0	0	1	$33,210
Texas NSP	0	20	204	$2,867,583
Totals	1	43	263	$4,267,002

2018 Implementation Plan

The ACT Program will continue to play an integral role in the Corporation's overall affordable housing strategy. The Corporation plans to continue to form partnerships to acquire foreclosed and vacant properties, including working directly with local and regional governments. Additionally, the Corporation intends to continue working with its network of local partner developers to redevelop and sell properties currently in the ACT Program's portfolio.

In 2018, the Corporation will make a stronger push to find new local partners, particularly in areas of the state where the Corporation has land bank properties but does not have a local partner. Lastly, the Corporation will continue to focus on selling homes in the Texas NSP portfolio as quickly and efficiently as possible.

MULTIFAMILY PRIVATE ACTIVITY BOND PROGRAM

The Corporation uses its statutory authority to issue tax-exempt multifamily private activity bonds (PAB) to help affordable housing developers construct or preserve multifamily rental units. As a conduit issuer, the Corporation is allocated 10 percent of Texas' multifamily PAB cap each year.

The Corporation makes available to developers its multifamily PAB allocation through an annual Request for Proposal application process. To be considered for multifamily PAB financing, multifamily developments must meet specific housing needs identified each year by the Corporation's Board of Directors. In 2017, those housing needs were:

- At-Risk Preservation and Rehabilitation of Existing Affordable Units
- Housing in Rural and Smaller Urban Markets
- Senior and Service Enriched Housing Developments
- Housing in Areas with Disaster Declarations

In 2017, the Corporation issued or reserved $22,560,000 in multifamily PABs to construct or rehabilitate 212 affordable rental units in West Columbia, Texas and Glenn Heights, Texas.[20]

2018 Implementation Plan

The Corporation anticipates continued interest and growth in our PAB program due to the high number of affordable housing units needed to meet the demand. For example, research conducted by the National Low Income Housing Coalition found that, in Texas, there are only 51 units that are affordable for every 100 households that earn 50% or less of the average median income.[21]

The Corporation plans to continue to address this ongoing demand for affordable multifamily housing by financing through the PAB program the construction and rehabilitation of additional rental units that are affordable to low and very low-income Texans.

In 2018, the Corporation will place a stronger emphasis on preserving affordable housing in rural areas. The Corporation, the Federal Reserve Bank of Dallas, and other partners are launching a six-part Rural Housing Preservation Academy in January 2018 that will focus on how to preserve aging rural multifamily developments.

Specifically, the academy will be focused on preserving the 696[22] rural multifamily developments that were financed by the U.S. Department of Agriculture under its Section 514 and 515 loan programs. Many of these developments face uncertain futures because of need for repair, maturing mortgages, or expiring rental assistance agreements.

Private activity bonds may play a role in preserving the Section 515 rural rental developments. Moreover, the Corporation will evaluate what other resources it can provide, in collaboration with the Federal Reserve Bank of Dallas and other partners, to address housing needs in rural areas of the state.

ASSET OVERSIGHT AND COMPLIANCE

Asset oversight and compliance monitoring of multifamily properties financed through multifamily tax-exempt bonds is required by many bond issuers, including the Corporation. The Corporation also requires asset oversight and compliance monitoring of multifamily properties financed through our Texas Housing Impact Fund. The Corporation believes these reviews are one of the best ways to ensure properties are continuing to provide safe and decent affordable housing to their residents.

Asset Oversight

As part of the asset oversight review process, staff performs an annual on-site physical inspection of each property, monitors each property's financial and physical health, and provides suggestions for improvement to property owners and managers. Staff completes a report of each property and submits its reports to property owners, managers and other stakeholders. The reports are also available on the Corporation's web site.

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[20] The developments in these municipalities are Brooks Manor Apartments (West Columbia, TX) and Palladium Glenn Heights Apartments (Glenn Heights, TX).

[21] Source: "The Gap: A Shortage of Affordable Homes," The National Low Income Housing Coalition, March 2017, http://nlihc.org/sites/default/files/Gap-Report_2017_interactive.pdf

[22] Source: https://catalog.data.gov/dataset/usda-rural-development-multifamily-section-515-rural-rental-housing-and-section-514-farm-l-f2dd4

Compliance

As part of the compliance review process, staff reviews tenant files on-site annually to ensure that property owners and managers are following the federal affordability requirements relating to the tax-exempt status of the bonds. Completed compliance reports are submitted to property owners, managers, and other stakeholders and are also available on the Corporation's web site. In addition, the Corporation manages an online reporting system that allows property managers to complete their monthly compliance reporting online. Each month, staff monitors whether property owners and managers are providing the required number of affordable units to income-eligible households and that quality resident services are being provided. By monitoring this on a monthly basis, the Corporation helps ensure that property owners and managers are meeting all program requirements.

In 2017, the Corporation performed asset oversight reviews for 30 properties, totaling 4,212 units, and the Corporation performed compliance reviews for 29 properties, totaling 4,424 units. These properties are either bond-financed or financed through the Texas Housing Impact Fund.

2018 Implementation Plan

The Corporation will continue to provide asset oversight and compliance monitoring services to the properties in its current bond and Texas Housing Impact Fund portfolios. In 2018, the Corporation anticipates adding two properties to the portfolio of bond-financed properties monitored by the Corporation's staff.

The Corporation will continue to review and update its policies and procedures as industry trends and changes in policy dictate. The Corporation will continue to closely monitor the financial health and physical condition of properties in its portfolio and offer specific strategies for improvement.

SINGLE FAMILY RENTAL PROGRAM

The cost of living in Austin continued to rise in 2017. According to the Real Estate Center at Texas A&M University, the median home price in Austin was $287,700 as of September 2017.[23] The average monthly rent was $1,406 as of October 2017.[24] These prices are simply unaffordable for many low-income Austin families.

In May 2013, the Corporation created the Single Family Rental Program to provide eligible low-income families with affordable, below-market rental homes in high opportunity neighborhoods in the Austin Metropolitan Statistical Area (MSA).

Homes available through the program are located in areas with higher than average median incomes, with access to good schools and other services nearby. The program has received an extraordinary number of applications from low-income families and individuals interested in renting a home available under the program.

The program offers individuals and families that earn at or below 80% of the area median family income the opportunity to rent a home at significantly less than market rate rents. In addition to verifying income, the Corporation screens each applicant for rental, credit, and criminal history.

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[23] Source: See Footnote 15.

[24] Source: https://www.rentjungle.com/average-rent-in-austin-rent-trends/ (Accessed November 13, 2017)

At the beginning of 2017, the Corporation's single family portfolio of purchased properties included 17 single family homes, one condominium and one duplex for a total of 20 rental properties. These are leased to qualifying, low-income families in the Austin MSA. The Corporation sold the condominium in 2017 and now has 19 total rental properties.

MULTIFAMILY RENTAL PROGRAM

In July 2015, the Corporation expanded its rental program by acquiring the Rollins Martin apartment complex in East Austin. The Rollins Martin apartment complex was originally financed as part of the federal low-income housing tax credit (LIHTC) program. It consists of 15 three-bedroom apartment units, all of which are affordable for families earning at or below 60% of the area median family income.

The apartment complex located in East Austin is in a rapidly developing community that is quickly becoming unaffordable to its long-time lower-income residents. Research released in 2016 revealed two trends for the census tract containing the Rollins Martin apartments. First, the average renter in the tract is cost-burdened (defined as spending more than 30% of their income on housing), and second, the number of cost burdened renters in the tract has gone up from 2010 to 2014.[25]

By maintaining affordability in the rapidly changing neighborhood, the Corporation is meeting a critical housing need for the community. Beyond this, the Corporation has also made substantial improvements to the Rollins Martin apartment complex.

In 2015, the Corporation installed new appliances, tankless water heaters and HVAC for each unit and new roofing and a fence for the complex. In 2016, the Corporation completely renovated three units and added new outdoor trash receptacles, a bike rack, and a surveillance system at the property. Additionally, the doors for the laundry area in each unit were expanded. In 2017, the Corporation renovated an additional three units.

2018 Implementation Plan

The Corporation has no plans to purchase additional homes for the Single Family Rental program at this time. The Corporation will continue to manage the program to provide its tenants with affordable, safe rental homes in high opportunity areas of the Austin MSA.

Remaining renovations for the Rollins Martin apartment complex include repairing the stairways and renovating the remaining nine units. In an effort to avoid tenant displacement, the remaining renovations will be done on a rolling basis once a unit becomes available after a tenant moves out.

TEXAS FOUNDATIONS FUND

History of the Texas Foundations Fund

The Corporation created the Texas Foundations Fund to improve housing conditions for very low-income Texas households, with a particular emphasis on assisting persons with disabilities and rural communities. The Corporation defines very low-income households as households earning at or below 50% of the area median family income.

[25] Source: Michael Theis, "Charting Austin's unaffordable rental landscape," Austin Business Journal, November 4, 2016

Through the Texas Foundations Fund, the Corporation partners with nonprofit organizations across Texas to support quality programs that address the critical housing needs of very low-income families and individuals. Selected partners receive grants to support their housing services. Since 2008, the Corporation has awarded more than $2.9 million in grants.

The housing services listed below are eligible for support through the Texas Foundations Fund:

- The rehabilitation and/or critical repair of owner-occupied, single family homes to remedy unsafe living conditions. Critical repairs may also include accessibility modifications to assist household members with a disability.
- The provision of supportive housing services for residents of housing units owned by the applicant receiving funding. The services supported by the Texas Foundations Fund must help individuals and families at risk of homelessness or unnecessary institutionalization gain and/or maintain their housing stability. Eligible supportive housing services include, but are not limited to: the provision of alcohol and drug counseling, adult education and/or job training, mental health counseling, case management and services provided by a health care provider.

The Corporation selected these services by conducting a survey asking its partner housing organizations to identify the greatest housing needs of the very low-income Texans they serve.

The Corporation funds its Texas Foundations Fund awards by blending private donations with earned revenue from its other housing programs. The Corporation's Board of Directors determines the amount available for each funding round based on revenue and private funding received.

Prior to each funding round, the Corporation publishes the Texas Foundations Fund Guidelines for public comment, giving stakeholders the opportunity to provide feedback prior to submitting a funding proposal.

2016 Changes to the Texas Foundations Fund

In 2016, the Corporation made the below four changes to the Texas Foundations Fund based on feedback received from past applicants in combination with internal deliberations and assistance from a third-party consultant.

- First, partners are now selected for a two-year term through a simpler online application process. The Corporation's Board of Directors gives final approval to selected partners.
- Second, the Texas Foundations Fund now provides matching grants to the selected nonprofit partners for eligible public and private funds they raise for their qualified programs. The following funding types are eligible for matching grants: individual donations, foundation grants, corporate grants or sponsorships, government grants, and in-kind donations of materials or professional services.
- Third, in addition to serving households at or below 50% of the area median family income, partners must now utilize their matching grant to support households with a disability and/or households located in rural communities.
- Lastly, the Corporation's Board of Directors suspended the Corporation's Advisory Council which had been tasked with vetting and approving grant applications. Since the application process is much simpler, there is no longer a need for Advisory Council review of the application process.

2016-2017 Funding Cycle

With these changes implemented, the Corporation selected 25 nonprofit partners for the 2016-2017 funding cycle (partners are selected for two-year terms). In 2016, those 25 partners received $302,500 in matching grants and used the funding to serve 1,444 low-income Texans through supportive services and an additional 60 households with home repairs.

The Corporation awarded $318,000 to the 25 nonprofit partners for 2017. In response to the devastation caused by Hurricane Harvey, the Corporation modified the 2017 grant agreements to allow nonprofit partners to serve households that were displaced or otherwise negatively affected by a federally declared disaster, in addition to households with a disability and rural communities.

2018 Implementation Plan

For the 2018-2019 funding cycle, the Corporation will post proposed guidelines and ask for input from past grant applicants and the public. The Corporation will also continue to explore ways to increase the amount of funding available for the Texas Foundations Fund and to promote the program to more nonprofit partners.

OTHER INTIATIVES

Innovation Accelerator Program

In 2016, the Corporation expanded efforts to address supportive housing needs beyond grant funding provided through Texas Foundations Fund. It did this by agreeing to partner with Health and Human Services Commission (HHS) in a Center for Medicaid Services Innovation Accelerator Program (IAP).

The first goal of the IAP is to develop public and private partnerships between the Medicaid and housing systems to better address the housing and supportive services needs of the Medicaid recipient population. The second goal is to create a detailed action plan that seeks to foster additional community living opportunities for Medicaid beneficiaries.

Through the IAP, HHS and the Corporation have determined that the specific populations the action plan will likely address are very similar to the individuals served by Texas Foundation Fund grants (individuals experiencing homelessness, individuals at risk of homelessness, and individuals unnecessarily institutionalized). The IAP kicked off in August 2017 and will end in April 2018 at which time the action plan is scheduled to be complete.

General Homelessness Activities

The Corporation continues to support other efforts addressing homelessness. This includes Advisory Member representation on the Texas Interagency Council for the Homeless (TICH) and serving as liaison between the TICH and United State Interagency Council on Homelessness. In addition, the Corporation sponsors the annual Texas Conference on Ending Homelessness hosted by the Texas Homeless Network.

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 date, 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 conversations, services from self-help centers, consumer education, and other colonia resident services in counties some part of which is within 150 miles of the international boarder of the state;
(13) a summary of public comments received at a hearing under this chapter or from another source that concern the demand for colonia resident services described by Subdivision (12); and
(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 Unites 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 adjust 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.

Appendix B: Housing Analysis Regional Tables

The following notes apply to all Housing Analysis Regional Tables.

- Due to limitations of available data, only civilian, non-institutionalized persons with disability are counted for each region's persons with disability population count. Statistics for total civilian non-institutionalized population are pulled from the 2011-2015 ACS, Table S1810 and available at the state or county level on the Census Bureau's FactFinder website (factfinder.census.gov).
- The figures reported for Persons with HIV/AIDS do not include those unaware of their HIV infection or those who tested positive for HIV solely though an anonymous HIV test. In addition, the 4,197 people counted in Texas Department of Criminal Justice facilities, Federal Prison facilities, and Federal Immigration and Customs Enforcement facilities are not attributed to a geographic area and only present in the total statewide figure.
- Veteran populations should be compared to civilian population 18 years old and over. Statistics for total civilian population 18 years and over are pulled from the 2011-2015 ACS, Table S2101 and available at the state or county level on the Census Bureau's FactFinder website (factfinder.census.gov).
- Housing units reported in the 'Other' category under Physical Housing Characteristics of Housing Units can include any living quarters occupied as a housing unit that does not fit in the other categories. Examples that fit in the 'Other' category are houseboats, railroad cars, campers and vans.
- There are 7 TDHCA-Assisted Units that cross regional boundaries. These 7 units have been included in the Statewide count of subsidized multifamily units, but they are not included in the regional tables.

For reference, a list of all Texas counties grouped by region with urban/rural designation has been included preceding the Housing Analysis Regional Tables.

TDHCA Counties by Region with Urban/Rural Designation

Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Region 11	Region 12	Region 13
Armstrong	Archer	**Collin**	Anderson	Angelina	Austin	Bastrop	**Bell**	Atascosa	**Aransas**	**Cameron**	Andrews	Brewster
Bailey	Baylor	Cooke	**Bowie**	**Hardin**	**Brazoria**	Blanco	Bosque	Bandera	Bee	Dimmit	Borden	Culberson
Briscoe	Brown	**Dallas**	Camp	Houston	**Chambers**	Burnet	**Brazos**	**Bexar**	Brooks	Edwards	Coke	**El Paso**
Carson	Callahan	**Denton**	Cass	Jasper	Colorado	**Caldwell**	Burleson	**Comal**	Calhoun	**Hidalgo**	Concho	Hudspeth
Castro	Clay	**Ellis**	Cherokee	**Jefferson**	**Fort Bend**	Fayette	**Coryell**	Frio	DeWitt	Jim Hogg	Crane	Jeff Davis
Childress	Coleman	Erath	Delta	Nacogdoches	**Galveston**	**Hays**	Falls	Gillespie	Duval	Kinney	Crockett	Presidio
Cochran	Comanche	Fannin	Franklin	Newton	**Harris**	Lee	Freestone	**Guadalupe**	Goliad	La Salle	Dawson	
Collingsworth	Cottle	**Grayson**	**Gregg**	**Orange**	**Liberty**	Llano	Grimes	Karnes	Gonzales	Maverick	**Ector**	
Crosby	Eastland	Hood	Harrison	Polk	Matagorda	**Travis**	Hamilton	**Kendall**	Jackson	Real	Gaines	
Dallam	Fisher	**Hunt**	Henderson	Sabine	**Montgomery**	**Williamson**	Hill	Kerr	Jim Wells	Starr	Glasscock	
Deaf Smith	Foard	**Johnson**	Hopkins	San Augustine	Walker		**Lampasas**	**Medina**	Kenedy	Uvalde	Howard	
Dickens	Hardeman	**Kaufman**	Lamar	San Jacinto	**Waller**		Leon	Wilson	Kleberg	Val Verde	Irion	
Donley	Haskell	Navarro	Marion	Shelby	Wharton		Limestone		Lavaca	**Webb**	Kimble	
Floyd	Jack	Palo Pinto	Morris	Trinity			Madison		Live Oak	Willacy	Loving	
Garza	**Jones**	**Parker**	Panola	Tyler			**McLennan**		McMullen	Zapata	**Martin**	
Gray	Kent	**Rockwall**	Rains				Milam		**Nueces**	Zavala	Mason	
Hale	Knox	Somervell	Red River				Mills		Refugio		McCulloch	
Hall	Mitchell	**Tarrant**	Rusk				Robertson		**San Patricio**		Menard	
Hansford	Montague	**Wise**	**Smith**				San Saba		**Victoria**		**Midland**	
Hartley	Nolan		Titus				Washington				Pecos	
Hemphill	Runnels		**Upshur**								Reagan	
Hockley	Scurry		Van Zandt								Reeves	
Hutchinson	Shackelford		Wood								Schleicher	
King	Stephens										Sterling	
Lamb	Stonewall										Sutton	
Lipscomb	**Taylor**										Terrell	
Lubbock	Throckmorton										**Tom Green**	
Lynn	**Wichita**										Upton	
Moore	Wilbarger										Ward	
Motley	Young										Winkler	
Ochiltree												
Oldham												
Parmer												
Potter												
Randall												
Roberts												
Sherman												
Swisher												
Terry												
Wheeler												
Yoakum												

Legend:
Urban County
Rural County

Region 1		Urban	Rural	Total	Source
Individuals		539,916	318,806	858,722	2011-2015 ACS Table DP05
Households	Owner	119,676	76,238	195,914	2011-2015 ACS Table DP04
	Renter	79,861	32,409	112,270	
Elderly Persons		63,963	44,582	108,545	2011-2015 ACS Table DP05
Persons with Disabilities		68,217	42,200	110,417	2011-2015 ACS Table S1810
Persons with HIV/AIDS		875	220	1,095	Texas DSHS, 2017
Domestic Violence Victims		7,477	1,650	9,127	Texas DPS, 2017
Veterans		31,706	15,682	47,388	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		45	27	72	Texas DFPS, 2017
Individuals Below 125% Poverty		122,597	72,186	194,783	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	26,830	12,018	38,848	2010-2014 CHAS, Table 8
	30 - 50% AMFI	24,310	13,850	38,160	
	50 - 80% AMFI	35,275	19,899	55,174	
	80 - 100% AMFI	19,355	11,352	30,707	
	Over 100% AMFI	93,040	51,905	144,945	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	495	248	743	2010-2014 CHAS, Table 3
	30 - 50% AMFI	820	487	1,307	
	50 - 80% AMFI	394	182	576	
	80 - 100% AMFI	124	62	186	
	Over 100% AMFI	625	320	945	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	19,040	7,012	26,052	2010-2014 CHAS, Table 3
	30 - 50% AMFI	15,385	5,375	20,760	
	50 - 80% AMFI	13,260	4,081	17,341	
	80 - 100% AMFI	3,340	1,215	4,555	
	Over 100% AMFI	4,215	1,261	5,476	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	1,210	702	1,912	2010-2014 CHAS, Table 3
	30 - 50% AMFI	1,129	863	1,992	
	50 - 80% AMFI	1,565	1,150	2,715	
	80 - 100% AMFI	870	758	1,628	
	Over 100% AMFI	1,790	1,684	3,474	
Physical Housing Characteristics for Housing Units	Total	221,110	132,717	353,827	2011-2015 ACS Table DP04
	1, detached	156,535	106,562	263,097	
	2 apartments	6,726	2,694	9,420	
	3 or 4 apartments	6,905	3,246	10,151	
	5 to 19 apartments	18,833	3,610	22,443	
	20+ apartments	16,486	1,828	18,314	
	Mobile home	15,421	14,647	30,068	
	Other	204	130	334	
Housing Occupancy	Occupied Units	199,537	108,647	308,184	2011-2015 ACS Table DP04
	Vacant Units	21,573	24,070	45,643	
Subsidized Multifamily Units	Total	10,912	5,050	15,962	
	TDHCA Units	4,268	1,730	5,998	TDHCA Central Database, 2017
	HUD Units	1,438	633	2,071	HUD, September 2017
	PHA Units	508	839	1,347	HUD, March 2017
	USDA Units	49	745	794	USDA, 2017
	Section 8 Vouchers	4,649	1,103	5,752	HUD, March 2017
Foreclosures		600	119	719	RealtyTrac, 2017

Region 2		Urban	Rural	Total	Source
Individuals		286,370	263,352	549,722	2011-2015 ACS Table DP05
Households	Owner	63,333	73,554	136,887	2011-2015 ACS Table DP04
	Renter	39,573	25,478	65,051	
Elderly Persons		39,101	50,398	89,499	2011-2015 ACS Table DP05
Persons with Disabilities		40,451	43,758	84,209	2011-2015 ACS Table S1810
Persons with HIV/AIDS		373	192	565	Texas DSHS, 2017
Domestic Violence Victims		3,935	1,328	5,263	Texas DPS, 2017
Veterans		25,366	19,509	44,875	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		22	15	37	Texas DFPS, 2017
Individuals Below 125% Poverty		61,115	58,059	119,174	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	11,765	12,064	23,829	2010-2014 CHAS, Table 8
	30 - 50% AMFI	11,990	13,050	25,040	
	50 - 80% AMFI	17,120	18,479	35,599	
	80 - 100% AMFI	10,205	9,806	20,011	
	Over 100% AMFI	51,860	46,225	98,085	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	315	405	720	2010-2014 CHAS, Table 3
	30 - 50% AMFI	329	209	538	
	50 - 80% AMFI	409	276	685	
	80 - 100% AMFI	79	121	200	
	Over 100% AMFI	315	544	859	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	8,465	7,150	15,615	2010-2014 CHAS, Table 3
	30 - 50% AMFI	7,510	6,157	13,667	
	50 - 80% AMFI	6,585	4,550	11,135	
	80 - 100% AMFI	1,905	1,107	3,012	
	Over 100% AMFI	2,484	1,392	3,876	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	377	354	731	2010-2014 CHAS, Table 3
	30 - 50% AMFI	524	383	907	
	50 - 80% AMFI	725	506	1,231	
	80 - 100% AMFI	264	384	648	
	Over 100% AMFI	543	843	1,386	
Physical Housing Characteristics for Housing Units	Total	119,719	133,724	253,443	2011-2015 ACS Table DP04
	1, detached	89,542	104,597	194,139	
	2 apartments	3,238	3,398	6,636	
	3 or 4 apartments	4,545	2,533	7,078	
	5 to 19 apartments	10,641	2,577	13,218	
	20+ apartments	4,726	1,855	6,581	
	Mobile home	6,919	18,587	25,506	
	Other	108	177	285	
Housing Occupancy	Occupied Units	102,906	99,032	201,938	2011-2015 ACS Table DP04
	Vacant Units	16,813	34,692	51,505	
Subsidized Multifamily Units	Total	6,917	6,189	13,106	
	TDHCA Units	2,355	1,634	3,989	TDHCA Central Database, 2017
	HUD Units	803	534	1,337	HUD, September 2017
	PHA Units	1,081	2,326	3,407	HUD, March 2017
	USDA Units	106	946	1,052	USDA, 2017
	Section 8 Vouchers	2,572	749	3,321	HUD, March 2017
Foreclosures		226	172	398	RealtyTrac, 2017

Region 3		Urban	Rural	Total	Source
Individuals		6,894,421	250,366	7,144,787	2011-2015 ACS Table DP05
Households	Owner	1,461,423	64,992	1,526,415	2011-2015 ACS Table DP04
	Renter	968,804	28,509	997,313	
Elderly Persons		682,471	44,721	727,192	2011-2015 ACS Table DP05
Persons with Disabilities		659,580	38,066	697,646	2011-2015 ACS Table S1810
Persons with HIV/AIDS		26,875	246	27,121	Texas DSHS, 2017
Domestic Violence Victims		47,376	1,601	48,977	Texas DPS, 2017
Veterans		362,618	20,060	382,678	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		247	20	267	Texas DFPS, 2017
Individuals Below 125% Poverty		1,336,526	56,101	1,392,627	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	294,170	11,440	305,610	2010-2014 CHAS, Table 8
	30 - 50% AMFI	280,330	11,145	291,475	
	50 - 80% AMFI	400,910	16,480	417,390	
	80 - 100% AMFI	232,645	9,025	241,670	
	Over 100% AMFI	1,184,380	45,445	1,229,825	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	6,080	284	6,364	2010-2014 CHAS, Table 3
	30 - 50% AMFI	3,983	432	4,415	
	50 - 80% AMFI	4,483	259	4,742	
	80 - 100% AMFI	2,084	128	2,212	
	Over 100% AMFI	5,685	573	6,258	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	205,455	7,825	213,280	2010-2014 CHAS, Table 3
	30 - 50% AMFI	185,825	5,425	191,250	
	50 - 80% AMFI	166,845	5,359	172,204	
	80 - 100% AMFI	51,635	1,614	53,249	
	Over 100% AMFI	82,119	2,389	84,508	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	25,185	591	25,776	2010-2014 CHAS, Table 3
	30 - 50% AMFI	25,604	574	26,178	
	50 - 80% AMFI	27,703	736	28,439	
	80 - 100% AMFI	10,917	372	11,289	
	Over 100% AMFI	18,300	990	19,290	
Physical Housing Characteristics for Housing Units	Total	2,638,099	112,898	2,750,997	2011-2015 ACS Table DP04
	1, detached	1,763,596	79,289	1,842,885	
	2 apartments	34,568	2,500	37,068	
	3 or 4 apartments	86,342	2,610	88,952	
	5 to 19 apartments	382,851	4,036	386,887	
	20+ apartments	267,924	2,676	270,600	
	Mobile home	100,801	21,426	122,227	
	Other	2,017	361	2,378	
Housing Occupancy	Occupied Units	2,430,227	93,501	2,523,728	2011-2015 ACS Table DP04
	Vacant Units	207,872	19,397	227,269	
Subsidized Multifamily Units	Total	130,391	4,090	134,481	
	TDHCA Units	63,984	1,115	65,099	TDHCA Central Database, 2017
	HUD Units	9,975	776	10,751	HUD, September 2017
	PHA Units	7,379	1,082	8,461	HUD, March 2017
	USDA Units	1,925	466	2,391	USDA, 2017
	Section 8 Vouchers	47,128	651	47,779	HUD, March 2017
Foreclosures		6,413	228	6,641	RealtyTrac, 2017

Region 4		Urban	Rural	Total	Source
Individuals		473,981	650,302	1,124,283	2011-2015 ACS Table DP05
Households	Owner	112,155	171,311	283,466	2011-2015 ACS Table DP04
	Renter	59,508	61,717	121,225	
Elderly Persons		70,521	115,989	186,510	2011-2015 ACS Table DP05
Persons with Disabilities		66,657	105,639	172,296	2011-2015 ACS Table S1810
Persons with HIV/AIDS		1,126	862	1,988	Texas DSHS, 2017
Domestic Violence Victims		3,541	3,850	7,391	Texas DPS, 2017
Veterans		32,741	50,266	83,007	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		37	56	93	Texas DFPS, 2017
Individuals Below 125% Poverty		108,133	151,964	260,097	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	20,560	27,925	48,485	2010-2014 CHAS, Table 8
	30 - 50% AMFI	21,005	31,340	52,345	
	50 - 80% AMFI	29,785	39,670	69,455	
	80 - 100% AMFI	16,510	24,490	41,000	
	Over 100% AMFI	84,725	109,650	194,375	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	489	1,058	1,547	2010-2014 CHAS, Table 3
	30 - 50% AMFI	634	652	1,286	
	50 - 80% AMFI	555	603	1,158	
	80 - 100% AMFI	319	275	594	
	Over 100% AMFI	315	696	1,011	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	13,545	17,074	30,619	2010-2014 CHAS, Table 3
	30 - 50% AMFI	12,085	15,065	27,150	
	50 - 80% AMFI	11,995	10,834	22,829	
	80 - 100% AMFI	3,120	3,809	6,929	
	Over 100% AMFI	4,025	4,613	8,638	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	949	1,304	2,253	2010-2014 CHAS, Table 3
	30 - 50% AMFI	1,189	1,750	2,939	
	50 - 80% AMFI	1,714	2,028	3,742	
	80 - 100% AMFI	714	879	1,593	
	Over 100% AMFI	1,645	2,260	3,905	
Physical Housing Characteristics for Housing Units	Total	194,647	287,458	482,105	2011-2015 ACS Table DP04
	1, detached	135,059	207,693	342,752	
	2 apartments	6,468	4,748	11,216	
	3 or 4 apartments	5,975	6,318	12,293	
	5 to 19 apartments	13,888	6,638	20,526	
	20+ apartments	7,645	3,383	11,028	
	Mobile home	25,076	57,692	82,768	
	Other	536	986	1,522	
Housing Occupancy	Occupied Units	171,663	233,028	404,691	2011-2015 ACS Table DP04
	Vacant Units	22,984	54,430	77,414	
Subsidized Multifamily Units	Total	11,791	10,282	22,073	
	TDHCA Units	4,082	3,827	7,909	TDHCA Central Database, 2017
	HUD Units	1,715	1,182	2,897	HUD, September 2017
	PHA Units	1,237	1,812	3,049	HUD, March 2017
	USDA Units	266	1,573	1,839	USDA, 2017
	Section 8 Vouchers	4,491	1,888	6,379	HUD, March 2017
Foreclosures		529	589	1,118	RealtyTrac, 2017

Region 5		Urban	Rural	Total	Source
Individuals		391,464	380,090	771,554	2011-2015 ACS Table DP05
Households	Owner	100,000	97,452	197,452	2011-2015 ACS Table DP04
	Renter	46,348	38,522	84,870	
Elderly Persons		53,732	65,770	119,502	2011-2015 ACS Table DP05
Persons with Disabilities		55,609	71,624	127,233	2011-2015 ACS Table S1810
Persons with HIV/AIDS		1,092	624	1,716	Texas DSHS, 2017
Domestic Violence Victims		5,527	1,889	7,416	Texas DPS, 2017
Veterans		26,768	29,327	56,095	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		7	16	23	Texas DFPS, 2017
Individuals Below 125% Poverty		87,154	96,934	184,088	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	19,120	18,240	37,360	2010-2014 CHAS, Table 8
	30 - 50% AMFI	17,695	18,790	36,485	
	50 - 80% AMFI	22,120	24,845	46,965	
	80 - 100% AMFI	13,280	13,515	26,795	
	Over 100% AMFI	72,670	60,760	133,430	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	339	545	884	2010-2014 CHAS, Table 3
	30 - 50% AMFI	223	444	667	
	50 - 80% AMFI	185	450	635	
	80 - 100% AMFI	140	199	339	
	Over 100% AMFI	730	580	1,310	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	12,425	11,158	23,583	2010-2014 CHAS, Table 3
	30 - 50% AMFI	9,970	8,360	18,330	
	50 - 80% AMFI	7,590	6,729	14,319	
	80 - 100% AMFI	2,594	1,468	4,062	
	Over 100% AMFI	3,410	2,248	5,658	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	754	721	1,475	2010-2014 CHAS, Table 3
	30 - 50% AMFI	675	1,092	1,767	
	50 - 80% AMFI	787	1,066	1,853	
	80 - 100% AMFI	505	596	1,101	
	Over 100% AMFI	1,285	1,080	2,365	
Physical Housing Characteristics for Housing Units	Total	166,053	180,833	346,886	2011-2015 ACS Table DP04
	1, detached	120,239	120,746	240,985	
	2 apartments	3,115	2,929	6,044	
	3 or 4 apartments	4,102	3,622	7,724	
	5 to 19 apartments	17,334	5,575	22,909	
	20+ apartments	5,573	3,098	8,671	
	Mobile home	15,514	44,040	59,554	
	Other	176	823	999	
Housing Occupancy	Occupied Units	146,348	135,974	282,322	2011-2015 ACS Table DP04
	Vacant Units	19,705	44,859	64,564	
Subsidized Multifamily Units	Total	16,698	8,919	25,617	
	TDHCA Units	6,014	2,612	8,626	TDHCA Central Database, 2017
	HUD Units	3,251	1,058	4,309	HUD, September 2017
	PHA Units	1,448	1,534	2,982	HUD, March 2017
	USDA Units	115	749	864	USDA, 2017
	Section 8 Vouchers	5,870	2,966	8,836	HUD, March 2017
Foreclosures		410	208	618	RealtyTrac, 2017

Region 6		Urban	Rural	Total	Source
Individuals		6,317,767	196,835	6,514,602	2011-2015 ACS Table DP05
Households	Owner	1,306,475	44,851	1,351,326	2011-2015 ACS Table DP04
	Renter	851,129	22,652	873,781	
Elderly Persons		598,866	28,633	627,499	2011-2015 ACS Table DP05
Persons with Disabilities		601,725	22,635	624,360	2011-2015 ACS Table S1810
Persons with HIV/AIDS		28,582	327	28,909	Texas DSHS, 2017
Domestic Violence Victims		60,492	1,549	62,041	Texas DPS, 2017
Veterans		280,714	13,001	293,715	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		230	7	237	Texas DFPS, 2017
Individuals Below 125% Poverty		1,299,188	42,974	1,342,162	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	277,015	10,075	287,090	2010-2014 CHAS, Table 8
	30 - 50% AMFI	255,750	8,795	264,545	
	50 - 80% AMFI	343,025	11,310	354,335	
	80 - 100% AMFI	193,750	6,475	200,225	
	Over 100% AMFI	1,032,110	30,135	1,062,245	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	6,484	205	6,689	2010-2014 CHAS, Table 3
	30 - 50% AMFI	4,128	158	4,286	
	50 - 80% AMFI	4,153	115	4,268	
	80 - 100% AMFI	1,550	52	1,602	
	Over 100% AMFI	5,550	135	5,685	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	188,300	6,645	194,945	2010-2014 CHAS, Table 3
	30 - 50% AMFI	162,305	4,890	167,195	
	50 - 80% AMFI	139,880	2,970	142,850	
	80 - 100% AMFI	44,504	740	45,244	
	Over 100% AMFI	67,600	1,459	69,059	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	27,353	283	27,636	2010-2014 CHAS, Table 3
	30 - 50% AMFI	25,135	470	25,605	
	50 - 80% AMFI	25,158	477	25,635	
	80 - 100% AMFI	10,519	143	10,662	
	Over 100% AMFI	21,544	454	21,998	
Physical Housing Characteristics for Housing Units	Total	2,389,529	84,639	2,474,168	2011-2015 ACS Table DP04
	1, detached	1,570,946	57,138	1,628,084	
	2 apartments	27,946	1,733	29,679	
	3 or 4 apartments	61,246	2,328	63,574	
	5 to 19 apartments	332,104	5,893	337,997	
	20+ apartments	283,546	2,587	286,133	
	Mobile home	110,725	14,761	125,486	
	Other	3,016	199	3,215	
Housing Occupancy	Occupied Units	2,157,604	67,503	2,225,107	2011-2015 ACS Table DP04
	Vacant Units	231,925	17,136	249,061	
Subsidized Multifamily Units	Total	106,544	3,515	110,059	
	TDHCA Units	59,799	1,271	61,070	TDHCA Central Database, 2017
	HUD Units	13,183	809	13,992	HUD, September 2017
	PHA Units	4,336	420	4,756	HUD, March 2017
	USDA Units	1,079	441	1,520	USDA, 2017
	Section 8 Vouchers	28,147	574	28,721	HUD, March 2017
Foreclosures		7,995	66	8,061	RealtyTrac, 2017

Region 7		Urban	Rural	Total	Source
Individuals		1,812,146	192,651	2,004,797	2011-2015 ACS Table DP05
Households	Owner	379,609	54,026	433,635	2011-2015 ACS Table DP04
	Renter	284,215	16,740	300,955	
Elderly Persons		162,403	36,269	198,672	2011-2015 ACS Table DP05
Persons with Disabilities		162,019	30,271	192,290	2011-2015 ACS Table S1810
Persons with HIV/AIDS		5,764	274	6,038	Texas DSHS, 2017
Domestic Violence Victims		11,119	1,246	12,365	Texas DPS, 2017
Veterans		99,144	17,930	117,074	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		87	14	101	Texas DFPS, 2017
Individuals Below 125% Poverty		321,904	38,400	360,304	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	80,385	8,595	88,980	2010-2014 CHAS, Table 8
	30 - 50% AMFI	67,980	9,905	77,885	
	50 - 80% AMFI	105,065	12,385	117,450	
	80 - 100% AMFI	63,290	6,890	70,180	
	Over 100% AMFI	331,880	32,775	364,655	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	1,615	313	1,928	2010-2014 CHAS, Table 3
	30 - 50% AMFI	809	239	1,048	
	50 - 80% AMFI	1,065	274	1,339	
	80 - 100% AMFI	449	45	494	
	Over 100% AMFI	1,750	194	1,944	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	58,755	5,195	63,950	2010-2014 CHAS, Table 3
	30 - 50% AMFI	50,240	4,805	55,045	
	50 - 80% AMFI	54,185	3,544	57,729	
	80 - 100% AMFI	17,200	1,130	18,330	
	Over 100% AMFI	26,325	1,845	28,170	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	6,635	608	7,243	2010-2014 CHAS, Table 3
	30 - 50% AMFI	5,510	524	6,034	
	50 - 80% AMFI	5,679	352	6,031	
	80 - 100% AMFI	2,297	225	2,522	
	Over 100% AMFI	4,769	346	5,115	
Physical Housing Characteristics for Housing Units	Total	717,637	92,570	810,207	2011-2015 ACS Table DP04
	1, detached	450,815	66,725	517,540	
	2 apartments	20,954	2,110	23,064	
	3 or 4 apartments	23,771	1,802	25,573	
	5 to 19 apartments	92,201	1,901	94,102	
	20+ apartments	99,139	1,116	100,255	
	Mobile home	30,022	18,337	48,359	
	Other	735	579	1,314	
Housing Occupancy	Occupied Units	663,824	70,766	734,590	2011-2015 ACS Table DP04
	Vacant Units	53,813	21,804	75,617	
Subsidized Multifamily Units	Total	39,304	2,993	42,297	
	TDHCA Units	24,390	1,515	25,905	TDHCA Central Database, 2017
	HUD Units	3,635	241	3,876	HUD, September 2017
	PHA Units	2,199	401	2,600	HUD, March 2017
	USDA Units	310	366	676	USDA, 2017
	Section 8 Vouchers	8,770	470	9,240	HUD, March 2017
Foreclosures		1,038	196	1,234	RealtyTrac, 2017

Region 8		Urban	Rural	Total	Source
Individuals		869,164	282,401	1,151,565	2011-2015 ACS Table DP05
Households	Owner	162,485	74,921	237,406	2011-2015 ACS Table DP04
	Renter	137,320	26,060	163,380	
Elderly Persons		89,064	53,819	142,883	2011-2015 ACS Table DP05
Persons with Disabilities		100,233	45,845	146,078	2011-2015 ACS Table S1810
Persons with HIV/AIDS		1,566	361	1,927	Texas DSHS, 2017
Domestic Violence Victims		8,576	1,248	9,824	Texas DPS, 2017
Veterans		84,337	21,498	105,835	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		43	14	57	Texas DFPS, 2017
Individuals Below 125% Poverty		209,022	61,726	270,748	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	40,745	12,380	53,125	2010-2014 CHAS, Table 8
	30 - 50% AMFI	32,670	13,195	45,865	
	50 - 80% AMFI	49,490	17,900	67,390	
	80 - 100% AMFI	28,600	9,305	37,905	
	Over 100% AMFI	141,640	47,755	189,395	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	808	674	1,482	2010-2014 CHAS, Table 3
	30 - 50% AMFI	395	245	640	
	50 - 80% AMFI	554	250	804	
	80 - 100% AMFI	295	152	447	
	Over 100% AMFI	690	408	1,098	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	29,205	7,769	36,974	2010-2014 CHAS, Table 3
	30 - 50% AMFI	22,715	6,233	28,948	
	50 - 80% AMFI	23,610	4,195	27,805	
	80 - 100% AMFI	6,689	1,181	7,870	
	Over 100% AMFI	8,340	2,122	10,462	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	1,429	567	1,996	2010-2014 CHAS, Table 3
	30 - 50% AMFI	1,994	539	2,533	
	50 - 80% AMFI	2,033	726	2,759	
	80 - 100% AMFI	854	374	1,228	
	Over 100% AMFI	2,324	1,283	3,607	
Physical Housing Characteristics for Housing Units	Total	345,274	133,920	479,194	2011-2015 ACS Table DP04
	1, detached	227,822	97,979	325,801	
	2 apartments	17,784	2,502	20,286	
	3 or 4 apartments	20,092	2,069	22,161	
	5 to 19 apartments	38,132	2,521	40,653	
	20+ apartments	17,932	1,618	19,550	
	Mobile home	23,065	26,821	49,886	
	Other	447	410	857	
Housing Occupancy	Occupied Units	299,805	100,981	400,786	2011-2015 ACS Table DP04
	Vacant Units	45,469	32,939	78,408	
Subsidized Multifamily Units	Total	17,485	5,178	22,663	
	TDHCA Units	4,938	1,867	6,805	TDHCA Central Database, 2017
	HUD Units	2,044	417	2,461	HUD, September 2017
	PHA Units	2,109	1,607	3,716	HUD, March 2017
	USDA Units	424	1,045	1,469	USDA, 2017
	Section 8 Vouchers	7,970	242	8,212	HUD, March 2017
Foreclosures		1,270	226	1,496	RealtyTrac, 2017

Region 9		Urban	Rural	Total	Source
Individuals		2,173,347	221,949	2,395,296	2011-2015 ACS Table DP05
Households	Owner	454,786	60,126	514,912	2011-2015 ACS Table DP04
	Renter	285,463	19,002	304,465	
Elderly Persons		252,850	42,506	295,356	2011-2015 ACS Table DP05
Persons with Disabilities		288,248	33,413	321,661	2011-2015 ACS Table S1810
Persons with HIV/AIDS		6,391	209	6,600	Texas DSHS, 2017
Domestic Violence Victims		19,509	1,052	20,561	Texas DPS, 2017
Veterans		189,801	20,824	210,625	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		159	25	184	Texas DFPS, 2017
Individuals Below 125% Poverty		460,791	43,128	503,919	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	92,470	9,055	101,525	2010-2014 CHAS, Table 8
	30 - 50% AMFI	83,460	9,390	92,850	
	50 - 80% AMFI	122,015	13,135	135,150	
	80 - 100% AMFI	70,470	7,910	78,380	
	Over 100% AMFI	364,055	40,125	404,180	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	1,950	370	2,320	2010-2014 CHAS, Table 3
	30 - 50% AMFI	1,635	308	1,943	
	50 - 80% AMFI	1,475	155	1,630	
	80 - 100% AMFI	665	103	768	
	Over 100% AMFI	2,535	298	2,833	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	61,395	5,585	66,980	2010-2014 CHAS, Table 3
	30 - 50% AMFI	51,545	4,395	55,940	
	50 - 80% AMFI	50,385	3,937	54,322	
	80 - 100% AMFI	15,910	1,300	17,210	
	Over 100% AMFI	23,584	1,934	25,518	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	5,565	553	6,118	2010-2014 CHAS, Table 3
	30 - 50% AMFI	6,395	792	7,187	
	50 - 80% AMFI	8,508	1,158	9,666	
	80 - 100% AMFI	3,498	275	3,773	
	Over 100% AMFI	7,970	1,358	9,328	
Physical Housing Characteristics for Housing Units	Total	811,421	94,801	906,222	2011-2015 ACS Table DP04
	1, detached	569,759	65,309	635,068	
	2 apartments	13,233	1,327	14,560	
	3 or 4 apartments	27,843	2,232	30,075	
	5 to 19 apartments	100,481	2,191	102,672	
	20+ apartments	59,735	1,141	60,876	
	Mobile home	39,590	22,094	61,684	
	Other	780	507	1,287	
Housing Occupancy	Occupied Units	740,249	79,128	819,377	2011-2015 ACS Table DP04
	Vacant Units	71,172	15,673	86,845	
Subsidized Multifamily Units	Total	49,068	2,913	51,981	
	TDHCA Units	18,924	1,498	20,422	TDHCA Central Database, 2017
	HUD Units	5,280	335	5,615	HUD, September 2017
	PHA Units	8,054	399	8,453	HUD, March 2017
	USDA Units	127	276	403	USDA, 2017
	Section 8 Vouchers	16,683	405	17,088	HUD, March 2017
Foreclosures		3,158	192	3,350	RealtyTrac, 2017

Region 10		Urban	Rural	Total	Source
Individuals		532,521	249,263	781,784	2011-2015 ACS Table DP05
Households	Owner	116,438	57,956	174,394	2011-2015 ACS Table DP04
	Renter	75,435	25,656	101,091	
Elderly Persons		73,053	39,482	112,535	2011-2015 ACS Table DP05
Persons with Disabilities		79,205	42,535	121,740	2011-2015 ACS Table S1810
Persons with HIV/AIDS		846	201	1,047	Texas DSHS, 2017
Domestic Violence Victims		6,075	1,656	7,731	Texas DPS, 2017
Veterans		40,521	16,662	57,183	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		31	11	42	Texas DFPS, 2017
Individuals Below 125% Poverty		119,059	60,776	179,835	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	22,405	11,090	33,495	2010-2014 CHAS, Table 8
	30 - 50% AMFI	22,525	11,074	33,599	
	50 - 80% AMFI	31,755	14,794	46,549	
	80 - 100% AMFI	17,430	7,318	24,748	
	Over 100% AMFI	95,720	39,495	135,215	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	1,049	322	1,371	2010-2014 CHAS, Table 3
	30 - 50% AMFI	670	382	1,052	
	50 - 80% AMFI	370	234	604	
	80 - 100% AMFI	170	144	314	
	Over 100% AMFI	405	376	781	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	14,340	6,409	20,749	2010-2014 CHAS, Table 3
	30 - 50% AMFI	13,570	4,259	17,829	
	50 - 80% AMFI	12,775	3,052	15,827	
	80 - 100% AMFI	4,150	887	5,037	
	Over 100% AMFI	5,784	1,190	6,974	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	1,679	660	2,339	2010-2014 CHAS, Table 3
	30 - 50% AMFI	1,820	895	2,715	
	50 - 80% AMFI	1,634	1,149	2,783	
	80 - 100% AMFI	1,039	446	1,485	
	Over 100% AMFI	2,815	1,755	4,570	
Physical Housing Characteristics for Housing Units	Total	222,786	109,221	332,007	2011-2015 ACS Table DP04
	1, detached	154,589	82,023	236,612	
	2 apartments	6,499	2,169	8,668	
	3 or 4 apartments	13,368	3,427	16,795	
	5 to 19 apartments	21,824	3,183	25,007	
	20+ apartments	11,109	1,459	12,568	
	Mobile home	14,651	16,612	31,263	
	Other	746	348	1,094	
Housing Occupancy	Occupied Units	191,873	83,612	275,485	2011-2015 ACS Table DP04
	Vacant Units	30,913	25,609	56,522	
Subsidized Multifamily Units	Total	12,717	6,082	18,799	
	TDHCA Units	4,957	1,603	6,560	TDHCA Central Database, 2017
	HUD Units	2,747	921	3,668	HUD, September 2017
	PHA Units	2,255	1,351	3,606	HUD, March 2017
	USDA Units	297	479	776	USDA, 2017
	Section 8 Vouchers	2,461	1,728	4,189	HUD, March 2017
Foreclosures		753	630	1,383	RealtyTrac, 2017

Region 11		Urban	Rural	Total	Source
Individuals		1,500,415	275,449	1,775,864	2011-2015 ACS Table DP05
Households	Owner	277,370	56,980	334,350	2011-2015 ACS Table DP04
	Renter	137,416	22,394	159,810	
Elderly Persons		155,303	35,533	190,836	2011-2015 ACS Table DP05
Persons with Disabilities		196,659	44,495	241,154	2011-2015 ACS Table S1810
Persons with HIV/AIDS		2,477	236	2,713	Texas DSHS, 2017
Domestic Violence Victims		11,070	1,575	12,645	Texas DPS, 2017
Veterans		42,978	10,289	53,267	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		66	11	77	Texas DFPS, 2017
Individuals Below 125% Poverty		624,132	97,481	721,613	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	78,320	15,815	94,135	2010-2014 CHAS, Table 8
	30 - 50% AMFI	63,355	13,144	76,499	
	50 - 80% AMFI	71,385	14,535	85,920	
	80 - 100% AMFI	34,635	7,313	41,948	
	Over 100% AMFI	161,655	28,935	190,590	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	4,685	847	5,532	2010-2014 CHAS, Table 3
	30 - 50% AMFI	2,220	508	2,728	
	50 - 80% AMFI	1,595	124	1,719	
	80 - 100% AMFI	510	56	566	
	Over 100% AMFI	1,280	179	1,459	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	40,445	7,752	48,197	2010-2014 CHAS, Table 3
	30 - 50% AMFI	29,795	4,239	34,034	
	50 - 80% AMFI	22,545	3,099	25,644	
	80 - 100% AMFI	5,900	871	6,771	
	Over 100% AMFI	9,245	978	10,223	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	14,755	2,083	16,838	2010-2014 CHAS, Table 3
	30 - 50% AMFI	9,915	1,254	11,169	
	50 - 80% AMFI	10,055	1,652	11,707	
	80 - 100% AMFI	4,660	606	5,266	
	Over 100% AMFI	12,050	1,568	13,618	
Physical Housing Characteristics for Housing Units	Total	480,051	100,801	580,852	2011-2015 ACS Table DP04
	1, detached	325,331	74,133	399,464	
	2 apartments	15,874	3,535	19,409	
	3 or 4 apartments	25,631	4,271	29,902	
	5 to 19 apartments	29,381	2,772	32,153	
	20+ apartments	19,276	1,029	20,305	
	Mobile home	62,252	14,917	77,169	
	Other	2,306	144	2,450	
Housing Occupancy	Occupied Units	414,786	79,374	494,160	2011-2015 ACS Table DP04
	Vacant Units	65,265	21,427	86,692	
Subsidized Multifamily Units	Total	32,745	6,440	39,185	
	TDHCA Units	11,351	1,750	13,101	TDHCA Central Database, 2017
	HUD Units	2,970	456	3,426	HUD, September 2017
	PHA Units	5,538	1,490	7,028	HUD, March 2017
	USDA Units	612	517	1,129	USDA, 2017
	Section 8 Vouchers	12,274	2,227	14,501	HUD, March 2017
Foreclosures		1,907	51	1,958	RealtyTrac, 2017

Region 12		Urban	Rural	Total	Source
Individuals		421,155	188,991	610,146	2011-2015 ACS Table DP05
Households	Owner	96,878	44,823	141,701	2011-2015 ACS Table DP04
	Renter	51,315	16,762	68,077	
Elderly Persons		47,106	26,492	73,598	2011-2015 ACS Table DP05
Persons with Disabilities		52,366	24,519	76,885	2011-2015 ACS Table S1810
Persons with HIV/AIDS		522	149	671	Texas DSHS, 2017
Domestic Violence Victims		4,905	1,260	6,165	Texas DPS, 2017
Veterans		25,909	10,405	36,314	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		29	9	38	Texas DFPS, 2017
Individuals Below 125% Poverty		65,856	34,775	100,631	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	13,805	7,697	21,502	2010-2014 CHAS, Table 8
	30 - 50% AMFI	16,665	7,417	24,082	
	50 - 80% AMFI	24,535	10,010	34,545	
	80 - 100% AMFI	14,680	5,649	20,329	
	Over 100% AMFI	76,060	30,689	106,749	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	660	216	876	2010-2014 CHAS, Table 3
	30 - 50% AMFI	470	228	698	
	50 - 80% AMFI	569	120	689	
	80 - 100% AMFI	144	95	239	
	Over 100% AMFI	1,010	189	1,199	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	9,055	4,385	13,440	2010-2014 CHAS, Table 3
	30 - 50% AMFI	9,335	2,674	12,009	
	50 - 80% AMFI	8,205	1,908	10,113	
	80 - 100% AMFI	2,505	405	2,910	
	Over 100% AMFI	2,725	555	3,280	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	834	419	1,253	2010-2014 CHAS, Table 3
	30 - 50% AMFI	845	248	1,093	
	50 - 80% AMFI	1,484	376	1,860	
	80 - 100% AMFI	935	350	1,285	
	Over 100% AMFI	2,425	818	3,243	
Physical Housing Characteristics for Housing Units	Total	161,345	78,203	239,548	2011-2015 ACS Table DP04
	1, detached	110,225	61,077	171,302	
	2 apartments	2,099	1,571	3,670	
	3 or 4 apartments	3,822	1,082	4,904	
	5 to 19 apartments	19,002	1,931	20,933	
	20+ apartments	8,479	1,092	9,571	
	Mobile home	17,178	11,195	28,373	
	Other	540	255	795	
Housing Occupancy	Occupied Units	148,193	61,585	209,778	2011-2015 ACS Table DP04
	Vacant Units	13,152	16,618	29,770	
Subsidized Multifamily Units	Total	7,313	3,159	10,472	
	TDHCA Units	3,138	1,207	4,345	TDHCA Central Database, 2017
	HUD Units	1,435	363	1,798	HUD, September 2017
	PHA Units	247	536	783	HUD, March 2017
	USDA Units	0	412	412	USDA, 2017
	Section 8 Vouchers	2,493	641	3,134	HUD, March 2017
Foreclosures		517	53	570	RealtyTrac, 2017

Region 13		Urban	Rural	Total	Source
Individuals		831,095	24,397	855,492	2011-2015 ACS Table DP05
Households	Owner	159,647	6,265	165,912	2011-2015 ACS Table DP04
	Renter	99,965	3,173	103,138	
Elderly Persons		90,952	4,653	95,605	2011-2015 ACS Table DP05
Persons with Disabilities		106,925	5,357	112,282	2011-2015 ACS Table S1810
Persons with HIV/AIDS		2,061	21	2,082	Texas DSHS, 2017
Domestic Violence Victims		5,249	60	5,309	Texas DPS, 2017
Veterans		49,850	1,749	51,599	2011-2015 ACS Table S2101
Youth Aging out of Foster Care		21	1	22	Texas DFPS, 2017
Individuals Below 125% Poverty		244,010	6,620	250,630	2011-2015 ACS Table S1701
Households by Income Group	0 - 30% AMFI	36,705	1,359	38,064	2010-2014 CHAS, Table 8
	30 - 50% AMFI	36,145	1,610	37,755	
	50 - 80% AMFI	46,220	1,909	48,129	
	80 - 100% AMFI	25,880	915	26,795	
	Over 100% AMFI	112,645	3,860	116,505	
Number of Units Lacking Kitchen and/or Plumbing by Income Category	0 - 30% AMFI	765	82	847	2010-2014 CHAS, Table 3
	30 - 50% AMFI	690	43	733	
	50 - 80% AMFI	485	78	563	
	80 - 100% AMFI	215	10	225	
	Over 100% AMFI	665	39	704	
Number of Households with Housing Cost Burden by Income Category	0 - 30% AMFI	22,080	578	22,658	2010-2014 CHAS, Table 3
	30 - 50% AMFI	19,155	549	19,704	
	50 - 80% AMFI	18,805	349	19,154	
	80 - 100% AMFI	5,790	144	5,934	
	Over 100% AMFI	6,900	141	7,041	
Number of Households Experiencing Overcrowding by Income Category	0 - 30% AMFI	3,050	69	3,119	2010-2014 CHAS, Table 3
	30 - 50% AMFI	3,590	79	3,669	
	50 - 80% AMFI	4,040	126	4,166	
	80 - 100% AMFI	1,845	54	1,899	
	Over 100% AMFI	4,235	135	4,370	
Physical Housing Characteristics for Housing Units	Total	282,616	13,535	296,151	2011-2015 ACS Table DP04
	1, detached	199,379	9,247	208,626	
	2 apartments	8,277	624	8,901	
	3 or 4 apartments	13,835	210	14,045	
	5 to 19 apartments	30,680	256	30,936	
	20+ apartments	14,384	270	14,654	
	Mobile home	15,904	2,869	18,773	
	Other	157	59	216	
Housing Occupancy	Occupied Units	259,612	9,438	269,050	2011-2015 ACS Table DP04
	Vacant Units	23,004	4,097	27,101	
Subsidized Multifamily Units	Total	24,178	508	24,686	
	TDHCA Units	9,473	170	9,643	TDHCA Central Database, 2017
	HUD Units	4,506	0	4,506	HUD, September 2017
	PHA Units	3,993	85	4,078	HUD, March 2017
	USDA Units	24	130	154	USDA, 2017
	Section 8 Vouchers	6,182	123	6,305	HUD, March 2017
Foreclosures		1,295	2	1,297	RealtyTrac, 2017

TDHCA Public Assistance Requests, SFY 2017

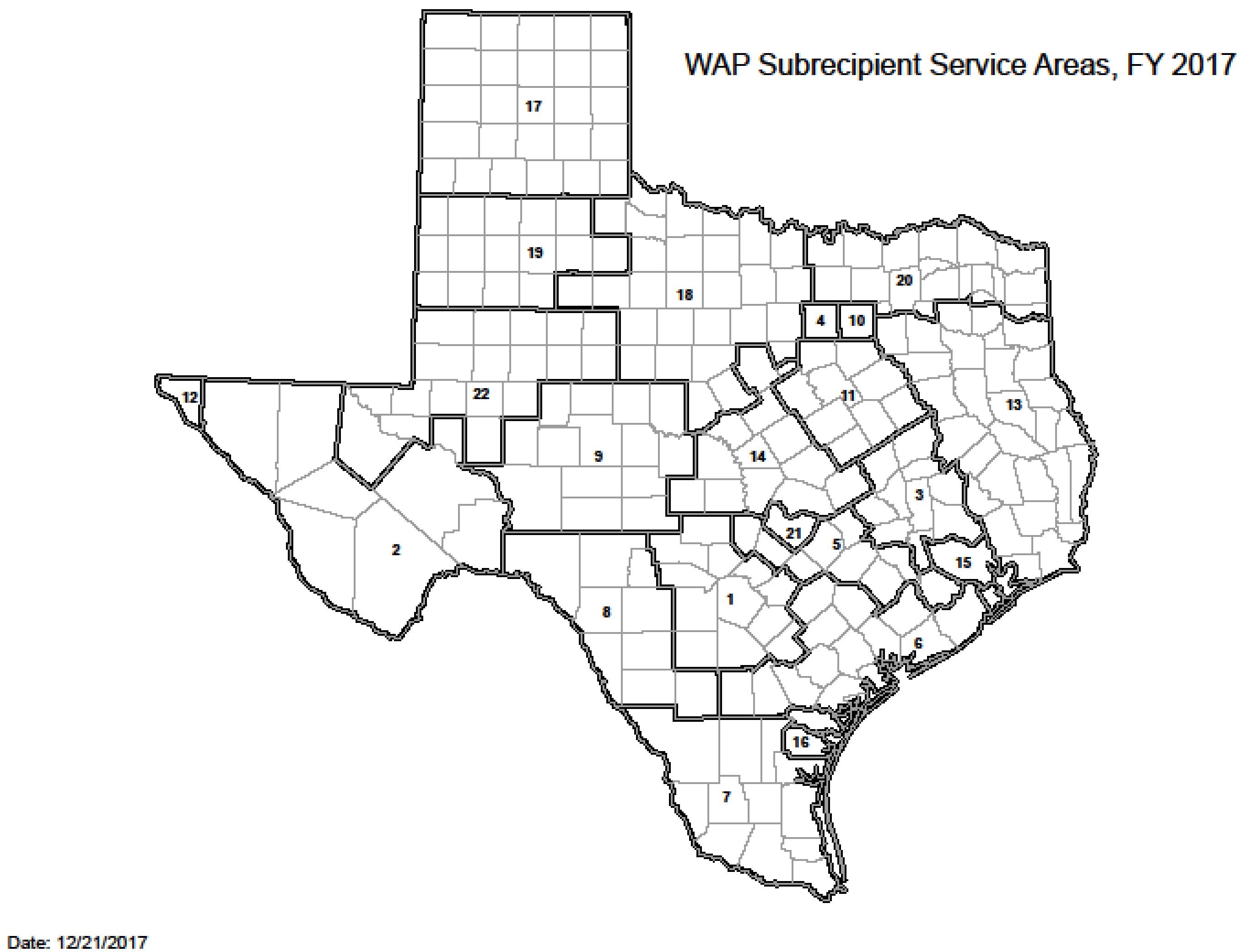
		Barrier Removal	Emergency	Foreclosure Prevention	Homebuyer Assistance	Homebuyer Education	Legal	Other	Rental Assistance	Repair	Utility	Weatheriz-ation	Individual Records	% of Total Requests
Region 1	Urban	41	452	2	64	7	2	7	405	103	482	136	1665	1.6%
	Rural	29	131	0	29	3	3	2	130	78	314	129	836	0.8%
	Total	70	583	2	93	10	5	9	535	181	796	265	2501	2.4%
Region 2	Urban	32	213	2	30	2	1	2	208	90	463	141	1169	1.1%
	Rural	39	148	1	28	3	4	3	152	137	403	139	1042	1.0%
	Total	71	361	3	58	5	5	5	360	227	866	280	2211	2.2%
Region 3	Urban	651	8466	37	922	141	141	43	8945	1898	7411	2069	30053	29.3%
	Rural	17	184	2	33	2	4	0	243	86	345	95	978	1.0%
	Total	668	8650	39	955	143	145	43	9188	1984	7756	2164	31031	30.2%
Region 4	Urban	58	544	2	63	8	6	4	593	155	709	162	2240	2.2%
	Rural	127	534	2	88	8	9	11	538	316	1038	335	2958	2.9%
	Total	185	1078	4	151	16	15	15	1131	471	1747	497	5198	5.1%
Region 5	Urban	57	460	5	46	5	3	7	423	153	683	92	1904	1.9%
	Rural	51	295	1	56	14	1	13	284	164	500	160	1494	1.5%
	Total	108	755	6	102	19	4	20	707	317	1183	252	3398	3.3%
Region 6	Urban	508	6676	34	882	169	58	40	7041	1256	8816	1452	26491	25.8%
	Rural	30	150	2	21	2	8	2	161	83	201	36	684	0.7%
	Total	538	6826	36	903	171	66	42	7202	1339	9017	1488	27175	26.5%
Region 7	Urban	112	1806	8	250	54	47	23	1737	298	1225	227	5592	5.4%
	Rural	24	171	1	27	1	10	2	147	64	159	66	640	0.6%
	Total	136	1977	9	277	55	57	25	1884	362	1384	293	6232	6.1%
Region 8	Urban	69	1297	6	106	23	27	13	1321	241	1509	260	4778	4.7%
	Rural	28	173	2	29	4	4	4	182	93	347	110	955	0.9%
	Total	97	1470	8	135	27	31	17	1503	334	1856	370	5733	5.6%
Region 9	Urban	188	1738	14	214	32	37	13	1538	429	1255	280	5570	5.4%
	Rural	27	140	1	14	1	2	0	136	59	193	76	622	0.6%
	Total	215	1878	15	228	33	39	13	1674	488	1448	356	6192	6.0%
Region 10	Urban	61	289	3	47	6	8	4	327	186	678	203	1782	1.7%
	Rural	34	95	1	25	5	4	2	121	81	362	100	810	0.8%
	Total	95	384	4	72	11	12	6	448	267	1040	303	2592	2.5%
Region 11	Urban	140	449	2	157	32	9	3	592	289	1907	487	4031	3.9%
	Rural	38	92	2	21	3	3	1	86	95	482	91	892	0.9%
	Total	178	541	4	178	35	12	4	678	384	2389	578	4923	4.8%
Region 12	Urban	29	288	0	41	5	2	1	288	59	409	93	1200	1.2%
	Rural	21	60	0	20	2	0	2	62	50	222	43	475	0.5%
	Total	50	348	0	61	7	2	3	350	109	631	136	1675	1.6%
Region 13	Urban	42	226	2	52	12	3	6	293	97	274	95	1074	1.0%
	Rural	4	8	0	3	0	0	1	9	7	17	12	61	0.1%
	Total	46	234	2	55	12	3	7	302	104	291	107	1135	1.1%

Source: TDHCA Public Assistance Inventory, 20XX

Appendix C: Racial and Ethnic Composition of Households and Individuals Receiving Assistance through Community Affairs Programs or Homelessness Programs

TDHCA's Community Affairs programs and Homelessness programs allocate funding to subrecipient entities with service areas that span two or more uniform TDHCA state service regions, so racial data for these programs are reported by entity rather than by region. For the purpose of this report, all counties served will be grouped by subrecipients. Maps are provided in order to locate subcontractor service areas.

Negative amounts in the following tables reflect adjustments from figures previously submitted from Subrecipients to TDHCA in monthly and annual performance reports.


WAP Subrecipient Service Areas, FY 2017
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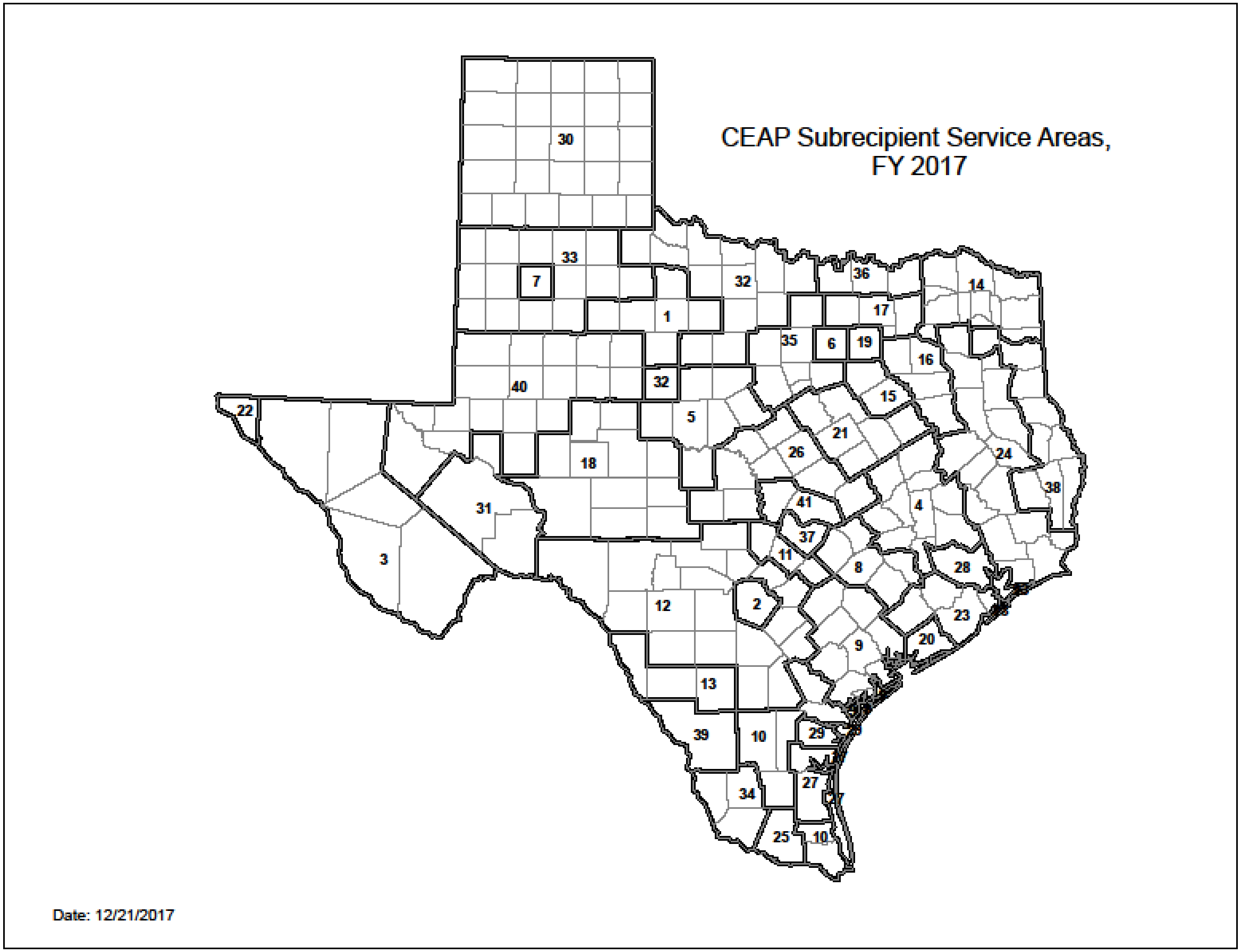
Racial and Ethnic Composition of Households Receiving WAP Assistance by Subrecipient Statewide, SFY 2017

# on Map	Subrecipient	Counties Served	Expended	Households Served	Hispanic	Black	White	Other
1	Alamo Area Council of Governments	ATASCOSA, BANDERA, BEXAR, COMAL, FRIO, GILLESPIE, GUADALUPE, KARNES, KENDALL, KERR, MEDINA, WILSON	$1,578,981	206	130	13	58	5
2	Big Bend Community Action Committee, Inc.	BREWSTER, CRANE, CULBERSON, HUDSPETH, JEFF DAVIS, PECOS, PRESIDIO, TERRELL	$297,139	52	51	0	1	0
3	Brazos Valley Community Action Agency, Inc.	BRAZOS, BURLESON, GRIMES, LEON, MADISON, MONTGOMERY, ROBERTSON, WALKER, WALLER, WASHINGTON	$365,240	53	5	25	23	0
3	Brazos Valley Community Action Programs	BRAZOS, BURLESON, GRIMES, LEON, MADISON, MONTGOMERY, ROBERTSON, WALKER, WALLER, WASHINGTON	$271,345	33	3	22	7	1
4	City of Fort Worth	TARRANT	$1,375,296	196	30	126	39	1
5	Combined Community Action, Inc.	AUSTIN, BASTROP, BLANCO, CALDWELL, COLORADO, FAYETTE, FORT BEND, HAYS, LEE	$604,076	78	16	36	23	3
6	Community Action Committee of Victoria, Texas	ARANSAS, BEE, BRAZORIA, CALHOUN, DE WITT, GOLIAD, GONZALES, JACKSON, LAVACA, LIVE OAK, MATAGORDA, MCMULLEN, REFUGIO, VICTORIA, WHARTON	$1,001,704	151	63	40	36	12

# on Map	Subrecipient	Counties Served	Expended	Households Served	Hispanic	Black	White	Other
7	Community Action Corporation of South Texas	BROOKS, CAMERON, DUVAL, HIDALGO, JIM HOGG, JIM WELLS, KENEDY, KLEBERG, SAN PATRICIO, STARR, WEBB, WILLACY, ZAPATA	$2,050,059	265	262	0	3	0
8	Community Council of South Central Texas, Inc.	DIMMIT, EDWARDS, KINNEY, LA SALLE, MAVERICK, REAL, UVALDE, VAL VERDE, ZAVALA	$435,447	58	58	0	0	0
9	Concho Valley Community Action Agency	COKE, COLEMAN, CONCHO, CROCKETT, IRION, KIMBLE, MCCULLOCH, MENARD, REAGAN, RUNNELS, SCHLEICHER, STERLING, SUTTON, TOM GREEN	$462,419	65	45	1	18	1
10	Dallas County Department of Health and Human Services	DALLAS	$2,332,562	306	172	101	29	4
11	Economic Opportunities Advancement Corporation of PR XI	BOSQUE, ELLIS, FALLS, FREESTONE, HILL, JOHNSON, LIMESTONE, MCLENNAN, NAVARRO	$642,351	92	18	46	28	0
12	El Paso Community Action Program, Project Bravo, Inc.	EL PASO	$1,140,235	140	0	0	140	0

# on Map	Subrecipient	Counties Served	Expended	Households Served	Hispanic	Black	White	Other
13	Greater East Texas Community Action Program (GETCAP)	ANDERSON, ANGELINA, CHAMBERS, CHEROKEE, GALVESTON, GREGG, HARDIN, HARRISON, HENDERSON, HOUSTON, JASPER, JEFFERSON, KAUFMAN, LIBERTY, NACOGDOCHES, NEWTON, ORANGE, PANOLA, POLK, RUSK, SABINE, SAN AUGUSTINE, SAN JACINTO, SHELBY, SMITH, TRINITY, TYLER, UPSHUR, VAN ZANDT, WOOD	$2,316,293	359	19	175	158	7
14	Hill Country Community Action Association, Inc.	BELL, BURNET, CORYELL, ERATH, HAMILTON, LAMPASAS, LLANO, MASON, MILAM, MILLS, SAN SABA, SOMERVELL, WILLIAMSON	$726,229	84	0	11	72	1
15	Neighborhood Centers Inc.	HARRIS	$3,498,966	495	169	203	35	88
16	Nueces County Community Action Agency	NUECES	$358,552	35	25	6	4	0
17	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	$536,535	76	16	2	58	0

# on Map	Subrecipient	Counties Served	Expended	Households Served	Hispanic	Black	White	Other
18	Rolling Plains Management Corporation	ARCHER, BAYLOR, BROWN, CALLAHAN, CLAY, COMANCHE, COTTLE, EASTLAND, FOARD, HARDEMAN, HASKELL, HOOD, JACK, JONES, KENT, KNOX, MONTAGUE, PALO PINTO, PARKER, SHACKELFORD, STEPHENS, STONEWALL, TAYLOR, THROCKMORTON, WICHITA, WILBARGER, WISE, YOUNG	$1,066,488	133	15	16	97	5
19	South Plains Community Action Association, Inc.	BAILEY, COCHRAN, CROSBY, DICKENS, FLOYD, GARZA, HALE, HOCKLEY, KING, LAMB, LUBBOCK, LYNN, MOTLEY, TERRY, YOAKUM	$730,329	96	57	6	30	3
20	Texoma Council of Governments	BOWIE, CAMP, CASS, COLLIN, COOKE, DELTA, DENTON, FANNIN, FRANKLIN, GRAYSON, HOPKINS, HUNT, LAMAR, MARION, MORRIS, RAINS, RED RIVER, ROCKWALL, TITUS	$1,148,845	146	4	47	93	2
21	Travis County	TRAVIS	$880,456	152	51	35	48	18
22	West Texas Opportunities, Inc.	ANDREWS, BORDEN, DAWSON, ECTOR, FISHER, GAINES, GLASSCOCK, HOWARD, LOVING, MARTIN, MIDLAND, MITCHELL, NOLAN, REEVES, SCURRY, UPTON, WARD, WINKLER	$559,814	78	62	6	9	1
	Total		**$24,379,360**	**3,349**	**1,271**	**917**	**1,009**	**152**


CEAP Subrecipient Service Areas,
FY 2017
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Date: 12/21/2017

Some numbers on the map represent an area served by multiple subrecipients.

Racial and Ethnic Composition of Households Receiving CEAP Assistance by Subrecipient Statewide, FY 2017

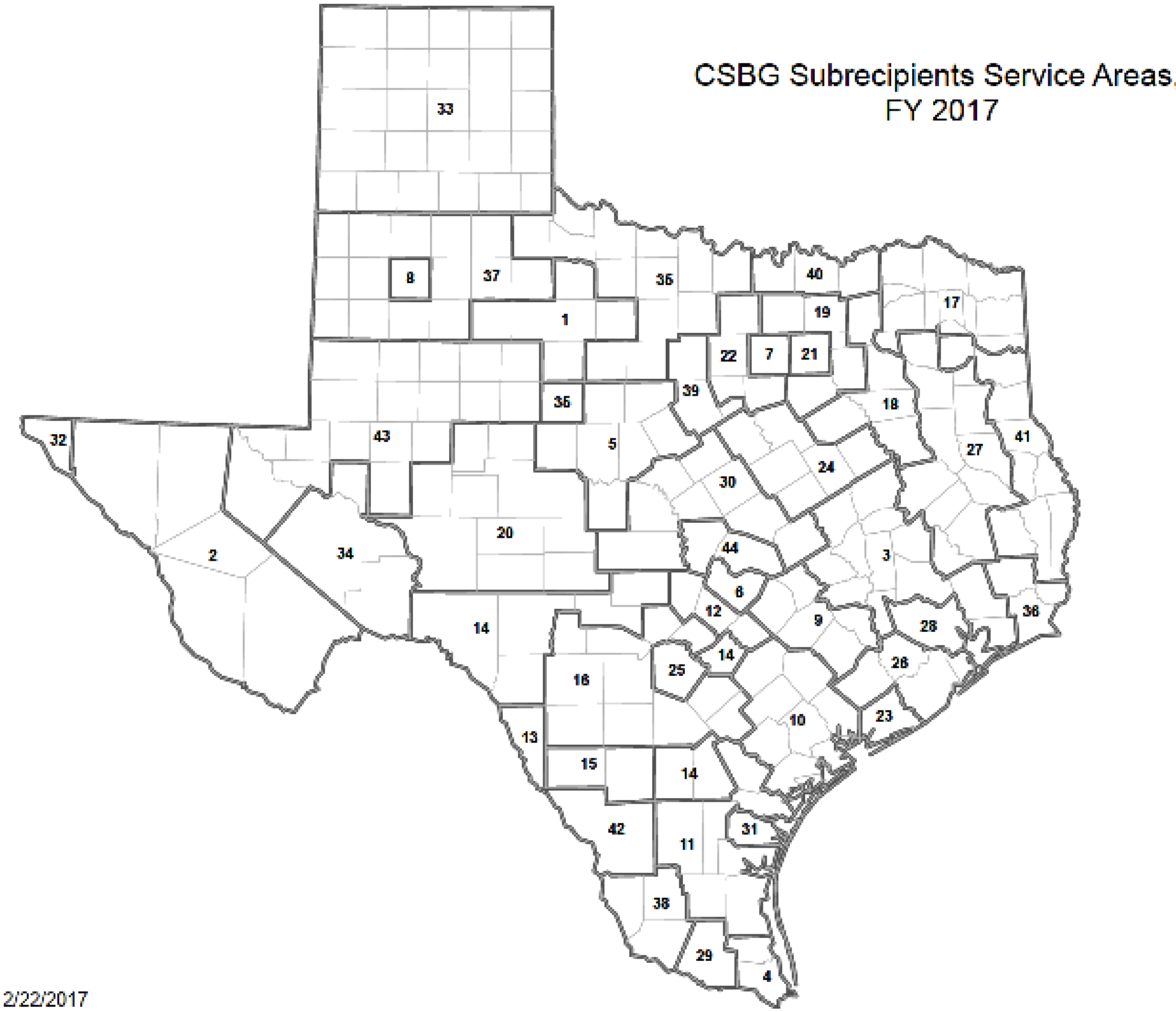
# on Map	Subrecipient	Counties Served	Expended	Individuals Served	Hispanic	Black	White	Other
1	Aspermont Small Business Development Center, Inc.	HASKELL, JONES, KENT, KNOX, STONEWALL, THROCKMORTON	$769,572	1,030	408	126	483	13
2	Bexar County	BEXAR	$6,977,546	8,053	5,474	1,334	1,008	237
2	Bexar County Community Resources	BEXAR	$358,272	0	0	0	0	0
3	Big Bend Community Action Committee, Inc.	BREWSTER, CULBERSON, HUDSPETH, JEFF DAVIS, PRESIDIO	$788,329	1,659	667	13	928	51
4	Brazos Valley Community Action Agency, Inc.	BRAZOS, BURLESON, GRIMES, LEON, MADISON, MONTGOMERY, ROBERTSON, WALKER, WALLER, WASHINGTON	$1,265,210	220	35	126	58	1
4	Brazos Valley Community Action Programs	BRAZOS, BURLESON, GRIMES, LEON, MADISON, MONTGOMERY, ROBERTSON, WALKER, WALLER, WASHINGTON	$1,844,955	3,220	363	1,660	1,169	28
5	Central Texas Opportunities, Inc.	BROWN, CALLAHAN, COLEMAN, COMANCHE, EASTLAND, MCCULLOCH, RUNNELS	$1,074,707	1,204	239	85	828	52
6	City of Fort Worth	TARRANT	$4,573,436	5,477	703	3,454	1,115	205
7	City of Lubbock	LUBBOCK	$1,535,024	1,309	609	491	204	5
8	Combined Community Action, Inc.	AUSTIN, BASTROP, COLORADO, FAYETTE, LEE	$720,304	1,069	57	473	534	5

# on Map	Subrecipient	Counties Served	Expended	Individuals Served	Hispanic	Black	White	Other
9	Community Action Committee of Victoria, Texas	ARANSAS, CALHOUN, DE WITT, GOLIAD, GONZALES, JACKSON, LAVACA, REFUGIO, VICTORIA	$1,198,698	1,845	861	475	496	13
10	Community Action Corporation of South Texas	BEE, BROOKS, CAMERON, DUVAL, JIM WELLS, SAN PATRICIO, WILLACY	$4,413,087	5,044	4,951	15	73	5
11	Community Action Inc. of Central Texas	BLANCO, CALDWELL, HAYS	$632,381	782	287	121	355	19
12, 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	$3,627,901	4,324	3,112	136	1,051	25
13	Community Services Agency of South Texas, Inc.	DIMMIT, LA SALLE, MAVERICK	$429,142	544	540	0	4	0
14	Community Services of Northeast Texas, Inc.	BOWIE, CAMP, CASS, DELTA, FRANKLIN, HOPKINS, LAMAR, MARION, MORRIS, RAINS, RED RIVER, TITUS	$2,169,406	3,424	94	1,830	1,179	321
15, 16, 17	Community Services, Inc.	ANDERSON, COLLIN, DENTON, ELLIS, HENDERSON, HUNT, KAUFMAN, NAVARRO, ROCKWALL, VAN ZANDT	$1,519,347	1,068	112	479	454	23
18	Concho Valley Community Action Agency	COKE, CONCHO, CROCKETT, IRION, KIMBLE, MENARD, REAGAN, SCHLEICHER, STERLING, SUTTON, TOM GREEN	$1,348,136	1,744	1,037	143	544	20
19	Dallas County Department of Health and Human Services	DALLAS	$9,377,143	11,902	989	9,653	1,079	181

# on Map	Subrecipient	Counties Served	Expended	Individuals Served	Hispanic	Black	White	Other
20	Economic Action Committee of The Gulf Coast	MATAGORDA	$221,809	352	114	149	85	4
15, 21	Economic Opportunities Advancement Corporation of PR XI	BOSQUE, FALLS, FREESTONE, HILL, LIMESTONE, MCLENNAN	$2,145,402	3,354	420	2,144	749	41
22	El Paso Community Action Program, Project Bravo, Inc.	EL PASO	$4,448,831	8,043	7,398	202	337	106
23	Galveston County Community Action Council, Inc.	BRAZORIA, FORT BEND, GALVESTON, WHARTON	$2,260,653	3,336	578	2,137	557	64
16, 24	Greater East Texas Community Action Program (GETCAP)	ANGELINA, CHAMBERS, CHEROKEE, GREGG, HARDIN, HOUSTON, JEFFERSON, LIBERTY, NACOGDOCHES, ORANGE, POLK, RUSK, SAN JACINTO, SMITH, TRINITY, WOOD	$6,340,409	8,108	278	5,334	2,360	136
25	Hidalgo County, Texas-County of Hidalgo Community Service Agency	HIDALGO	$4,240,792	7,206	6,962	18	207	19
26	Hill Country Community Action Association, Inc.	BELL, CORYELL, HAMILTON, LAMPASAS, LLANO, MASON, MILAM, MILLS, SAN SABA	$1,645,863	1,983	0	682	1,188	113
27	Kleberg County Human Services	KENEDY, KLEBERG	$525,941	553	208	25	310	10
28	Neighborhood Centers Inc.	HARRIS	$8,144,322	16,162	1,779	10,926	1,246	2,211
29	Nueces County Community Action Agency	NUECES	$1,606,434	1,716	1,167	399	140	10

# on Map	Subrecipient	Counties Served	Expended	Individuals Served	Hispanic	Black	White	Other
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	$2,891,146	3,698	1,614	658	1,269	157
31	Pecos County Community Action Agency	CRANE, PECOS, TERRELL	$443,172	743	624	3	115	1
32	Rolling Plains Management Corporation	ARCHER, BAYLOR, CLAY, COTTLE, FOARD, HARDEMAN, JACK, MONTAGUE, SHACKELFORD, STEPHENS, TAYLOR, WICHITA, WILBARGER, YOUNG	$2,063,087	2,592	326	576	1,612	78
33	South Plains Community Action Association, Inc.	BAILEY, COCHRAN, CROSBY, DICKENS, FLOYD, GARZA, HALE, HOCKLEY, KING, LAMB, LYNN, MOTLEY, TERRY, YOAKUM	$1,217,825	2,246	1,618	253	354	21
34	South Texas Development Council	JIM HOGG, STARR, ZAPATA	$761,696	825	0	0	825	0
35	Texas Neighborhood Services	ERATH, HOOD, JOHNSON, PALO PINTO, PARKER, SOMERVELL, WISE	$1,219,599	1,430	100	80	1,229	21
17, 36	Texoma Council of Governments	COOKE, FANNIN, GRAYSON	$1,222,807	2,420	41	799	1,481	99
37	Travis County	TRAVIS	$3,031,731	8,433	2,327	3,697	2,009	400
38	Tri-County Community Action, Inc.	HARRISON, JASPER, NEWTON, PANOLA, SABINE, SAN AUGUSTINE, SHELBY, TYLER, UPSHUR	$1,221,448	1,881	24	1,254	590	13

# on Map	Subrecipient	Counties Served	Expended	Individuals Served	Hispanic	Black	White	Other
39	Webb County Community Action Agency	WEBB	$1,123,090	1,181	1,176	0	0	5
40	West Texas Opportunities, Inc.	ANDREWS, BORDEN, DAWSON, ECTOR, FISHER, GAINES, GLASSCOCK, HOWARD, LOVING, MARTIN, MIDLAND, MITCHELL, NOLAN, REEVES, SCURRY, UPTON, WARD, WINKLER	$2,462,440	3,322	1,961	523	802	36
41	Williamson-Burnet County Opportunities, Inc.	BURNET, WILLIAMSON	$621,122	963	18	250	658	37
	Total		**$94,482,215**	**134,465**	**49,271**	**50,723**	**29,685**	**4,786**



Date: 12/22/2017

Some numbers on the map represent an area served by multiple subrecipients.

Racial Composition of Individuals Receiving CSBG Assistance by Subrecipient, Statewide FY 2017

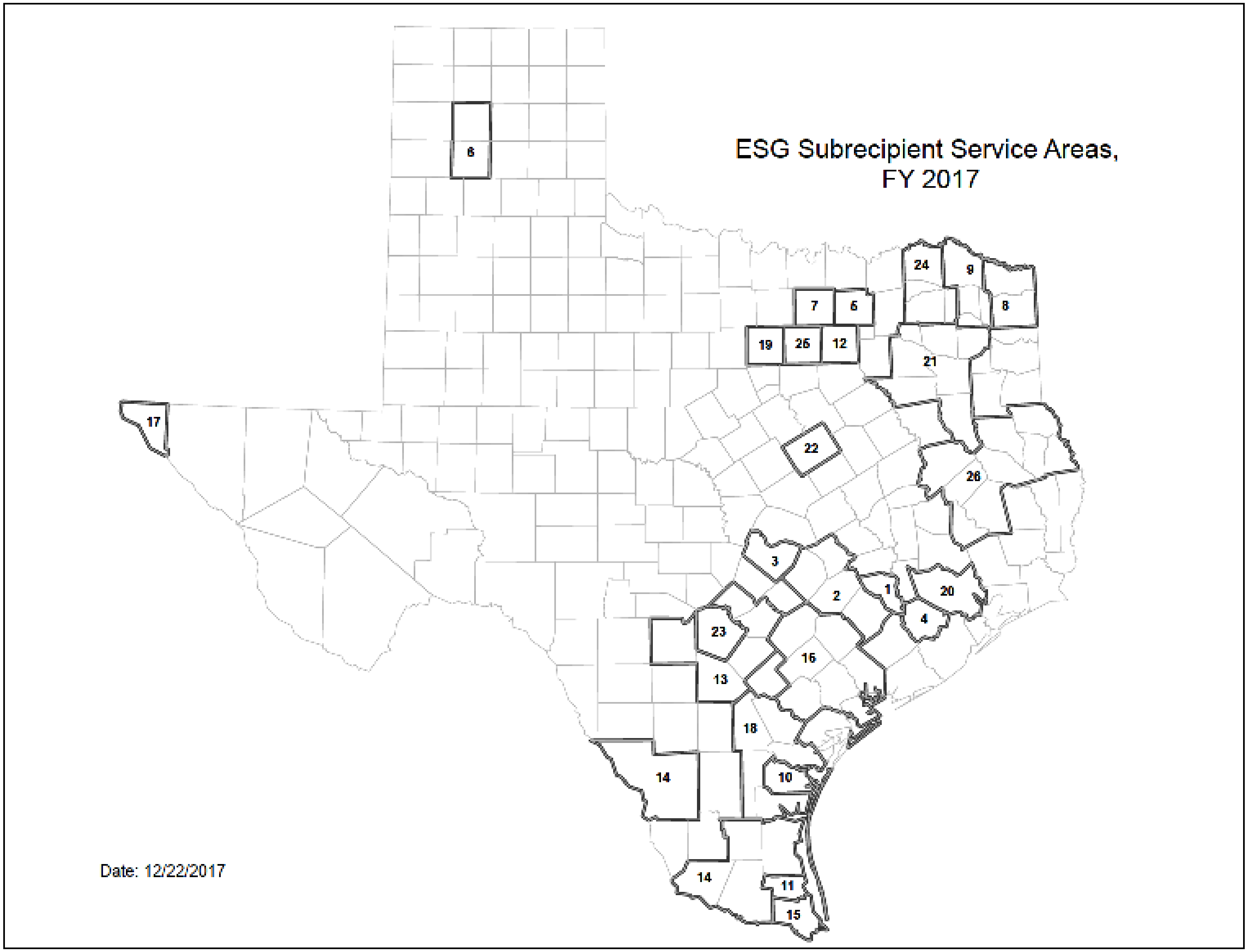
# on Map	Subrecipient	Counties Served	Expended	Individuals Served	Black	White	Other Race	Hispanic	Non-Hispanic	Unknown Race & Ethnicity
1	Aspermont Small Business Development Center, Inc.	HASKELL, JONES, KENT, KNOX, STONEWALL, THROCKMORTON	$181,270	4,886	251	790	848	831	1,058	2,997
2	Big Bend Community Action Committee, Inc.	BREWSTER, CULBERSON, HUDSPETH, JEFF DAVIS, PRESIDIO	$200,419	3,670	33	3,571	66	3,324	346	0
3	Brazos Valley Community Action Agency, Inc.	BRAZOS, BURLESON, CHAMBERS, GRIMES, LEON, LIBERTY, MADISON, MONTGOMERY, ROBERTSON, WALKER, WALLER, WASHINGTON	$494,742	5,299	342	341	14	175	522	4,602
3	Brazos Valley Community Action Programs	BRAZOS, BURLESON, CHAMBERS, GRIMES, LEON, LIBERTY, MADISON, MONTGOMERY, ROBERTSON, WALKER, WALLER, WASHINGTON	$677,158	15,998	3,746	3,065	114	1,100	5,825	9,073
4	Cameron and Willacy Counties Community Projects, Inc.	CAMERON, WILLACY	$947,302	4,344	0	4,344	0	4,318	26	0
5	Central Texas Opportunities, Inc.	BROWN, CALLAHAN, COLEMAN, COMANCHE, EASTLAND, MCCULLOCH, RUNNELS	$281,150	3,089	192	2,686	211	753	2,336	0
6	City of Austin, Health and Human Services Dept	TRAVIS	$1,257,797	54,657	1,325	1,480	172	1,155	1,822	51,680
7	City of Fort Worth	TARRANT	$1,942,491	11,853	7,184	3,993	676	2,168	9,685	0
8	City of Lubbock	LUBBOCK	$400,511	1,165	423	664	54	524	617	24

# on Map	Subrecipient	Counties Served	Expended	Individuals Served	Black	White	Other Race	Hispanic	Non-Hispanic	Unknown Race & Ethnicity
25	City of San Antonio, The Department of Human Services	BEXAR	$2,385,118	143,049	4,991	18,310	303	18,739	4,865	119,445
9	Combined Community Action, Inc.	AUSTIN, BASTROP, COLORADO, FAYETTE, LEE	$250,048	4,455	1,249	1,751	48	904	2,144	1,407
10	Community Action Committee of Victoria, Texas	ARANSAS, CALHOUN, DE WITT, GOLIAD, GONZALES, JACKSON, LAVACA, REFUGIO, VICTORIA	$311,878	7,282	1,180	3,998	87	3,251	2,014	2,017
11	Community Action Corporation of South Texas	BEE, BROOKS, DUVAL, JIM WELLS, KENEDY, KLEBERG, SAN PATRICIO	$354,057	22,935	30	14,024	30	13,870	214	8,851
12	Community Action Inc. of Central Texas	BLANCO, CALDWELL, HAYS	$304,623	2,013	293	1,615	57	1,244	721	48
13	Community Action Social Services & Education, Inc.	MAVERICK	$192,460	637	0	637	0	637	0	0
14, 15, 16,	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	$674,060	5,878	180	5,629	69	4,256	1,622	0
15	Community Services Agency of South Texas, Inc.	DIMMIT, LA SALLE	$132,227	672	0	672	0	667	5	0
17	Community Services of Northeast Texas, Inc.	BOWIE, CAMP, CASS, DELTA, FRANKLIN, HOPKINS, LAMAR, MARION, MORRIS, RAINS, RED RIVER, TITUS	$491,790	5,459	2,983	1,931	448	304	5,058	97

# on Map	Subrecipient	Counties Served	Expended	Individuals Served	Black	White	Other Race	Hispanic	Non-Hispanic	Unknown Race & Ethnicity
18, 19	Community Services, Inc.	ANDERSON, COLLIN, DENTON, ELLIS, HENDERSON, HUNT, KAUFMAN, NAVARRO, ROCKWALL, VAN ZANDT	$2,256,242	3,960	1,372	1,728	141	682	2,559	719
20	Concho Valley Community Action Agency	COKE, CONCHO, CROCKETT, IRION, KIMBLE, MENARD, REAGAN, SCHLEICHER, STERLING, SUTTON, TOM GREEN	$267,106	4,300	232	2,850	196	2,196	1,082	1,022
7, 19, 21, 22	Dallas Inter-Tribal Center	COLLIN, DALLAS, DENTON, ELLIS, HOOD, JOHNSON, KAUFMAN, PARKER, ROCKWALL, TARRANT, WISE	$94,847	90	10	3	77	22	68	0
23	Economic Action Committee of The Gulf Coast	MATAGORDA	$191,018	1,110	247	480	32	335	424	351
24	Economic Opportunities Advancement Corporation of PR XI	BOSQUE, FALLS, FREESTONE, HILL, LIMESTONE, MCLENNAN	$378,030	8,415	4,658	2,828	666	1,909	6,243	263
32	El Paso Community Action Program, Project Bravo, Inc.	EL PASO	$1,420,411	27,220	544	26,215	461	25,824	1,396	0
13, 15, 16, 25	Family Service Association of San Antonio, Inc.	BEXAR, DIMMIT, MAVERICK, UVALDE, ZAVALA	$102,030	172	2	170	0	172	0	0
26	Galveston County Community Action Council, Inc.	BRAZORIA, FORT BEND, GALVESTON, WHARTON	$925,351	9,285	5,452	3,462	371	2,241	7,044	0
27	Greater East Texas Community Action Program (GETCAP)	ANGELINA, CHEROKEE, GREGG, HOUSTON, NACOGDOCHES, POLK, RUSK, SAN JACINTO, SMITH, TRINITY, WOOD	$842,619	19,010	11,907	6,261	492	1,181	17,479	350

# on Map	Subrecipient	Counties Served	Expended	Individuals Served	Black	White	Other Race	Hispanic	Non-Hispanic	Unknown Race & Ethnicity
28	Gulf Coast Community Services Association	HARRIS	$5,131,663	18,857	4,027	1,064	480	1,151	4,420	13,286
29	Hidalgo County, Texas-County of Hidalgo Community Service Agency	HIDALGO	$1,817,251	19,756	63	19,622	71	19,375	381	0
30	Hill Country Community Action Association, Inc.	BELL, CORYELL, HAMILTON, LAMPASAS, LLANO, MASON, MILAM, MILLS, SAN SABA	$574,197	11,066	2,340	2,986	498	1,382	4,442	5,242
31	Nueces County Community Action Agency	NUECES	$492,372	2,678	481	2,142	55	1,988	690	0
32	Opportunity Center for the Homeless	EL PASO	$100,000	194	0	194	0	194	0	0
33	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	$569,942	13,045	2,343	9,734	943	6,230	6,790	25
34	Pecos County Community Action Agency	CRANE, PECOS, TERRELL	$241,484	1,822	175	1,628	19	1,532	290	0
35	Rolling Plains Management Corporation	ARCHER, BAYLOR, CLAY, COTTLE, FOARD, HARDEMAN, JACK, MONTAGUE, SHACKELFORD, STEPHENS, TAYLOR, WICHITA, WILBARGER, YOUNG	$551,989	7,896	1,370	3,565	1,344	1,828	4,451	1,617

# on Map	Subrecipient	Counties Served	Expended	Individuals Served	Black	White	Other Race	Hispanic	Non-Hispanic	Unknown Race & Ethnicity
36	South East Texas Regional Planning Commission	HARDIN, JEFFERSON, ORANGE	$483,325	1,825	709	288	42	70	969	786
37	South Plains Community Action Association, Inc.	BAILEY, COCHRAN, CROSBY, DICKENS, FLOYD, GARZA, HALE, HOCKLEY, KING, LAMB, LYNN, MOTLEY, TERRY, YOAKUM	$320,590	5,729	501	5,045	183	4,494	1,235	0
38	South Texas Development Council	JIM HOGG, STARR, ZAPATA	$269,381	2,294	0	2,293	1	2,284	10	0
22, 39	Texas Neighborhood Services	ERATH, HOOD, JOHNSON, PALO PINTO, PARKER, SOMERVELL, WISE	$666,368	3,540	234	2,963	343	461	3,079	0
40	Texoma Council of Governments	COOKE, FANNIN, GRAYSON	$198,067	5,126	1,820	2,841	465	551	4,575	0
41	Tri-County Community Action, Inc.	HARRISON, JASPER, NEWTON, PANOLA, SABINE, SAN AUGUSTINE, SHELBY, TYLER, UPSHUR	$392,244	3,951	2,461	1,293	197	102	3,849	0
42	Webb County Community Action Agency	WEBB	$454,198	3,446	1	3,436	9	3,434	12	0
43	West Texas Opportunities, Inc.	ANDREWS, BORDEN, DAWSON, ECTOR, FISHER, GAINES, GLASSCOCK, HOWARD, LOVING, MARTIN, MIDLAND, MITCHELL, NOLAN, REEVES, SCURRY, UPTON, WARD, WINKLER	$665,324	12,528	1,301	7,825	357	6,173	3,310	3,045
44	Williamson-Burnet County Opportunities, Inc.	BURNET, WILLIAMSON	$352,374	8,071	602	1,440	98	709	1,431	5,931
	Total		**$31,237,527**	**492,727**	**67,254**	**181,857**	**10,738**	**144,740**	**115,109**	**232,878**


ESG Subrecipient Service Areas,
FY 2017
Date: 12/22/2017
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Some numbers on the map represent an area served by multiple subrecipients.

Racial and Ethnic Composition of Individuals Receiving ESG Assistance by Subrecipient Statewide, FY 2017

# on Map	Subrecipient	Counties Served	Expended	Individuals Served	White	Black	Other Race	Hispanic	Non-Hispanic	Unknown Ethnicity
1, 2, 3	Advocacy Outreach	BASTROP, COLORADO, FAYETTE, LEE, TRAVIS	$394,637	658	361	260	37	214	408	36
4, 20	Alliance of Community Assistance Ministries, Inc.	FORT BEND, HARRIS,	$222,782	147	61	80	6	59	88	0
2	Bastrop County Women's Shelter, dba Family Crisis Center	BASTROP, COLORADO, FAYETTE, LEE	$250	0	0	0	0	0	0	0
4, 20	Bridge Over Troubled Waters, Inc., The	FORT BEND, HARRIS,	$460,163	634	260	335	39	174	449	11
12	Bridge Steps	DALLAS	$62,214	128	43	78	7	19	109	0
4, 20	Catholic Charities of the Archdiocese of Galveston-Houston	FORT BEND, HARRIS,	$358,719	667	124	518	25	76	591	0
25	Catholic Charities, Diocese of Fort Worth, Inc.	TARRANT	$126,152	946	527	360	59	134	780	32
5	City House, Inc.	COLLIN	$155,478	396	232	158	6	110	286	0
6	City of Amarillo	POTTER, RANDALL	$155,158	2,894	1,829	531	534	580	2,196	118
7	City of Denton	DENTON	$149,952	481	317	138	26	104	377	0
8, 9	City of Texarkana, Texas	BOWIE, CAMP, CASS, MORRIS, RED RIVER, TITUS	$413,127	1,810	1,026	698	86	119	1,678	13
12	CitySquare	DALLAS	$106,803	296	66	221	9	12	277	7
4, 20	Coalition for the Homeless of Houston/Harris County	FORT BEND, HARRIS,	$78,612	0	0	0	0	0	0	0
10	Corpus Christi Hope House, Inc.	NUECES	$10,822	34	33	1	0	26	8	0
25	DRC Solutions	TARRANT	$26,033	10	5	5	0	2	8	0
11, 15	Family Crisis Center, Inc.	CAMERON, WILLACY	$13,376	0	0	0	0	0	0	0
23	Family Endeavors, Inc.	BEXAR	$37,319	21	19	2	0	3	18	0

# on Map	Subrecipient	Counties Served	Expended	Individuals Served	White	Black	Other Race	Hispanic	Non-Hispanic	Unknown Ethnicity
12	Family Gateway, Inc.	DALLAS	$150,000	491	128	348	15	89	402	0
5, 12	Family Place, The	DALLAS	$514,448	1,202	368	807	27	247	928	27
13, 23	Family Violence Prevention Services, Inc.	ATASCOSA, BEXAR, COMAL, GUADALUPE, MEDINA, WILSON	$150,286	1,934	1,480	334	120	1,255	678	1
15	Friendship of Women, Inc.	CAMERON	$621,383	1,092	1,076	14	2	988	107	-3
11, 14, 15	La Posada Providencia	BROOKS, CAMERON, HIDALGO, KENEDY, STARR, WEBB, WILLACY	$456,689	1,415	1,205	141	69	1,137	274	4
16	Mid-Coast Family Services, Inc.	CALHOUN, DE WITT, GOLIAD, GONZALES, JACKSON, LAVACA, VICTORIA	$325,845	900	630	225	45	411	481	8
25	Presbyterian Night Shelter	TARRANT	$107,223	98	43	53	2	11	87	0
17	Project Vida	EL PASO	$429,432	1,097	1,015	66	16	917	180	0
25	SafeHaven of Tarrant County	TARRANT	$140,503	1,559	715	743	101	495	1,027	37
10, 18	Salvation Army of Corpus Christi	BEE, JIM WELLS, KLEBERG, LIVE OAK, NUECES, SAN PATRICIO	$20,707	55	38	17	0	28	27	0
19, 25	Salvation Army of Fort Worth - Mabee Center	PARKER, TARRANT	$125,292	347	107	215	25	51	296	0
4, 20	Salvation Army of Houston	FORT BEND, HARRIS,	$319,653	591	146	435	10	83	508	0
23	Salvation Army of San Antonio	BEXAR	$144,346	1,541	998	482	61	625	909	7
21	Salvation Army of Tyler	CHEROKEE, HENDERSON, RAINS, SMITH, UPSHUR, VAN ZANDT, WOOD	$498,863	1,866	1,047	698	121	121	1,694	51
22	Salvation Army of Waco	MCLENNAN	$102,003	385	224	140	21	35	308	42
23	San Antonio Metropolitan Ministry, Inc.	BEXAR	$687,779	1,541	1,045	390	106	1,241	1,958	-1,658
20	SEARCH Homeless Services	HARRIS	$370,034	1,212	478	704	30	172	1,034	6
12	Shared Housing Center, Inc.	DALLAS	$99,909	64	8	56	0	3	60	1

# on Map	Subrecipient	Counties Served	Expended	Individuals Served	White	Black	Other Race	Hispanic	Non-Hispanic	Unknown Ethnicity
9, 24	Shelter Agencies For Families In East Texas, Inc.	CAMP, DELTA, FRANKLIN, HOPKINS, LAMAR, MORRIS, RED RIVER, TITUS	$183,272	697	342	340	15	51	646	0
25	Tarrant County Homeless Coalition	TARRANT	$66,927	219	96	109	14	33	179	7
3	The SAFE Alliance	TRAVIS	$1,402	0	0	0	0	0	0	0
3	Travis County Domestic Violence and Sexual Assault Survival Cent	TRAVIS	$2,718	0	0	0	0	0	0	0
26	Women's Shelter of East Texas, Inc.	ANGELINA, HOUSTON, NACOGDOCHES, POLK, SABINE, SAN AUGUSTINE, SAN JACINTO, SHELBY, TRINITY	$163,765	550	247	208	95	87	439	24
3	Youth and Family Alliance dba Lifeworks	TRAVIS	$523,605	728	449	191	88	354	369	5
	Total		**$8,977,678**	**28,706**	**16,788**	**####**	**1,817**	**10,066**	**19,864**	**-1,224**

Racial and Ethnic Composition of Individuals Receiving HHSP Assistance by Subrecipient Statewide for SFY 2017

Subrecipient	Service Area	Expended	Individuals Served	White	Black	Other Race	Hispanic	Non-Hispanic	Unknown Ethnicity
City of Arlington	ARLINGTON (CITY)	$227,177	203	78	119	6	44	159	0
City of Austin, Health and Human Services Dept	AUSTIN (CITY)	$630,797	82	45	36	1	24	58	0
City of Dallas	DALLAS (CITY)	$811,129	714	199	447	68	60	654	0
City of El Paso, Department of Community and Human Development	EL PASO (CITY)	$600,187	616	569	33	14	552	64	0
City of Houston	HOUSTON (CITY)	$1,729,515	2,211	376	1,790	45	281	1,930	0
Haven for Hope of Bexar County	SAN ANTONIO (CITY)	$1,377,778	3,031	2,222	657	152	1,429	1,583	19
Mother Teresa Shelter, Inc.	CORPUS CHRISTI (CITY)	$307,063	910	700	121	89	419	491	0
United Way of Tarrant County	TARRANT (COUNTY)	$348,158	82	47	35	0	5	77	0
Total		**$6,031,804**	**7,849**	**4,236**	**3,238**	**375**	**2,814**	**5,016**	**19**

Appendix D: TDHCA Goals and Objectives

The Agency 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 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 used by decision makers to allocate resources, to focus the Department's efforts on achieving goals and objectives, and as monitoring tools 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 measures reflected in this document are based on the Department's current goals as approved by the LBB for FY 2018-2019.

AFFORDABLE HOUSING GOALS AND OBJECTIVES

The following goals address performance measures established by the 85th 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. Included for each strategy are the target numbers of the 2017 goals, the 2017 actual performance and the estimated performance for 2018.[1]

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	2017 Target	2017 Actual	% of Goal	2018 Target
Number of households assisted through Bond Financing or Other Mortgage Financing	2,377	5,870	246.95%	2,981

Explanation of Variance:

Due to low interest rates and the long term benefits the MCC offers a borrower, product demand is higher than expected, resulting in a higher number of households served. TDHCA partnered with several private/public/semi-private entities in FY2017 to help reduce the agency's costs to provide

[1] Targets for 2018 and 2019 were updated through the FY2018-2019 Legislative Appropriations Request unless otherwise noted.

loans to FTHBs. These cost savings were then passed down to the borrower in the form of lower interest rates.

Strategy 1.2

Provide funding through the HOME Investment Partnership (HOME) Program for affordable housing

Strategy #1	2017 Target	2017 Actual	% of Goal	2018Target
Number of households assisted with Single Family HOME Funds	1,125	1,095	97.33%	875

Explanation of Variance:

None needed.

Strategy 1.3

Provide funding through the Housing Trust Fund for affordable housing

Strategy Measure	2017 Target	2017 Actual	% of Goal	2018 Target
Number of single-family households assisted through the Housing Trust Fund Program	175	191	109.14%	165

Explanation of Variance:

The number of households served is above the "YTD Expected" due to reprogramming of unused HTF funds and higher than anticipated repayments to the HTF.

Strategy 1.4

Provide federal rental assistance through Section 8 vouchers

Strategy Measure	2017 Target	2017 Actual	% of Goal	2018 Target
Total households assisted through Statewide Housing Assistance Payments Program	990	945	95.45%	1,181

Explanation of Variance:

None needed.

Strategy 1.6

Provide federal tax credits to develop rental housing for households with very low income and low income

Strategy Measure	2017 Target	2017 Actual	% of Goal	2018 Target
Number of households assisted through the Housing Tax Credit Program	8,100	9,811	121.12%	9,900

Explanation of Variance:

Cost certifications for 13 properties in El Paso (that include 1,590 total units) were not originally included in the FY Target because these 2014 4% credit awards were not finalized until late in

2015 (during state fiscal year 2016). Because the awards were Acquisition/Rehab, the construction was completed faster than anticipated, and cost certifications were submitted in the 4th quarter of fiscal year 2017.

Strategy 1.7

Provide federal mortgage loans through the Multifamily Mortgage Revenue Bond Program

Strategy Measure	2017 Target	2017 Actual	% of Goal	2018 Target
Number of households assisted with the Multifamily Mortgage Revenue Bond Program	900	342	38.00%	644

Explanation of Variance:

The target for the number of MRB households was overestimated, as the estimates were based on an average construction completion time. Rehabs were completed faster than new construction. The actual amount is closer to the amount estimated for 2014 awards, which is 596. The difference is due to the measure transitioning to actual units on the ground reported through the cost certifications.

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

Center for Housing Research, Planning, and Communications

Strategy Measure	2017 Target	2017 Actual	% of Goal	2018 Target
Number of information and technical assistance requests completed	5,800	7,223	124.53%	7,000

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	2017 Target	2017 Actual	% of Goal	2018 Target
Number of technical assistance contacts and visits conducted by the field offices	1,380	1,389	100.65%	1,380

Explanation of Variance:

None needed.

GOAL 3: TDHCA WILL IMPROVE LIVING CONDITIONS FOR THE POOR AND HOMELESS AND REDUCE THE COST OF HOME ENERGY FOR VERY LOW-INCOME TEXANS.

Strategy 3.1

Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low-income persons throughout the state.

Strategy Measure #1	2017 Target	2017 Actual	% of Goal	2018 Target
Number of persons assisted through homeless and poverty related funds	426,236	526,227	123.46%	383,057

Explanation of Variance:

The increased persons is associated primarily with the Community Services Block Grant Program. The federal program year does not correspond with the state fiscal year. Subrecipients were able to ramp up the program year 2017 earlier than usual, resulting in more persons served during state fiscal year 2017.

Strategy Measure #2	2017 Target	2017 Actual	% of Goal	2018 Target
Number of persons assisted that achieve incomes above poverty level.	1,100	1,112	101.90%	1,100

Explanation of Variance:

None needed.

Strategy 3.2

Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low-income persons and for assistance to very low-income households for heating and cooling expenses and energy-related emergencies.

Strategy Measure #1	2017 Target	2017 Actual	% of Goal	2018 Target
Number of Households Receiving Utility Assistance	146,545	134,465	91.76%	149,000

Explanation of Variance:

Extended periods of warm weather resulted in higher bills per household, resulting in the amount required to assist each household increasing, and therefore the number of households assisted decreasing.

Strategy Measure#2	2017 Target	2017 Actual	% of Goal	2018 Target
Number of dwelling units weatherized through Weatherization Assistance Program	2,822	3,351	118.75%	4,100

Explanation of Variance:

Lower per unit costs have allowed for additional weatherized units.

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	2017 Target	2017 Actual	% of Goal	2018 Target
Total number of file reviews.	691	544	78.73%	615

Explanation of Variance:

Because of a reduction in staff due to turnover and the hiring freeze, fewer onsite file reviews were conducted.

Strategy 4.2

The Compliance Division will administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Strategy Measure	2017 Target	2017 Actual	% of Goal	2018 Target
Total number of monitoring reviews of All Non-formula Contracts	150	145	96.67%	150

Explanation of Variance:

None needed.

GOAL 5: TO PROTECT THE PUBLIC BY REGULATING THE MANUFACTURED HOUSING INDUSTRY IN ACCORDANCE WITH STATE AND FEDERAL LAWS.

Strategy 5.1

Provide services for Statement of Ownership and Location and Licensing in a timely and efficient manner.

Strategy Measure	2017 Target	2017 Actual	% of Goal	2018 Target
Number of manufactured housing statements of ownership and location issued	65,000	54,248	83.46%	61,000

Explanation of Variance:

This measure is under the targeted amount due to the number of applications received incomplete, which is currently about 31%; these will be resubmitted for issuance.

Strategy 5.2

Conduct inspection of manufactured homes in a timely manner.

Strategy Measure	2017 Target	2017 Actual	% of Goal	2018 Target
Number of installation reports received	12,000	16,267	135.56%	15,000

Explanation of Variance:

The Department received and processed a larger number of installation reports than the targeted projection. This may be attributable to an increase in file reviews undertaken by MHD as well as increased awareness within the industry of enhanced enforcement procedures which can result from the failure to file an installation report.

Strategy 5.3

To process consumer complaints, conduct investigations and take administrative actions to protect the general public and consumers.

Strategy Measure #1	2017 Target	2017 Actual	% of Goal	2018 Target
Number of complaints resolved	450	730	162.22%	500

Explanation of Variance:

This measure is over the targeted projection because of an increase in internally opened complaints that resulted in more complaints being closed. The creation of the new Compliance Monitoring Unit resulted in the Compliance Monitors submitting approximately 150 complaints to the Enforcement Unit for deviations/violations found during these reviews.

Strategy Measure #2	2017 Target	2017 Actual	% of Goal	2018 Target
Average time for complaint resolution	180	47.40	26.33%	180

Explanation of Variance:

The average time is under the targeted projection, which is desirable.

Strategy Measure #3	2017 Target	2017 Actual	% of Goal	2018 Target
Number of jurisdictional complaints received	400	712	178%	400

Explanation of Variance:

This measure is over the targeted projection because of an increase in internally opened complaints, not consumer complaints. The creation of the new Compliance Monitoring Unit resulted in the Compliance Monitors submitting a large number of complaints to the Enforcement Unit for deviations/violations found during these reviews.

RIDER 5 IS ESTABLISHED IN STATE LAW, AS FOUND IN THE GENERAL APPROPRIATIONS ACT.

The following figures reflect actual households assisted during the 2017 or prior years through funds awarded in FY 2014; because of the nature of these programs, funds are not typically fully expended until two or three years after the Department has made an award.

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)	2017 Target	2017 Actual	% of Goal	2018 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	$67,054,682	223.52%	$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)	2017 Target	2017 Actual	% of Goal	2018 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%	47.17%	235.85%	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 persons 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% of the HOME annual allocation for persons with disabilities who live in any area of this state.

Strategy Measure	2017 Target	2017 Actual	% of Goal	2018 Target
Amount of HOME project allocation awarded to applicants that target persons with disabilities.	**$1,159959**	**$4,300,698.58**	**370.76%**	**$1,159,959***

Explanation of Variance:

These include funds from the Persons with Disabilities Set-Aside that were used to assist households with persons 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 reallocating PWD not previously expended by Administrators accessing HOME Persons with Disabilities funds.

***The 2018 target will be adjusted to reflect the 5% of the actual allocation of 2018 funds from HUD.**

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Appendix F: Acronyms

ACRONYM	NAME
ADA	Americans with Disabilities Act
AFFH	Affirmatively Furthering Fair Housing
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
AYBR	Amy Young Barrier Removal
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
CRAC	Colonia Resident Advisory Committee
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
FFY	Federal Fiscal Year (10/1-9/30)
FHA	Federal Housing Administration
GLO	General Land Office
HCV	Housing Choice Voucher
HERA	Housing and Economic Recovery Act
HHSCC	Housing and Health Services Coordination Council
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

ACRONYM	NAME
LEP	Limited English Proficiency
LIHEAP	Low Income Home Energy Assistance Program
LIHTC	Low Income Housing Tax Credit
MCC	Mortgage Credit Certificate
MSA	Metropolitan Statistical Areas
NFMC	National Foreclosure Mitigation Counseling
NHTF	National Housing Trust Fund
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
PI	Program Income
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
TICH	Texas Interagency Council for the Homeless
TMP	Taxable Mortgage Program
TSAHC	Texas State Affordable Housing Corporation
USHHS	United States Health and Human Services
VA	U.S. Department of Veterans Affairs
VASH	Veterans Affairs Supportive Housing
VAWA	Violence Against Women Act
WAP	Weatherization Assistance Program

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BOARD ACTION REQUEST

EXECUTIVE DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action adopting new 10 TAC §1.5, Waiver Applicability in the Case of Federally Declared Disasters, and directing that it be published for adoption in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Department is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, at times the Department's rules, formalized in Chapter 10 of the Texas Administrative Code ("10 TAC"), may include language that restates federal requirements;

WHEREAS, in the cases of federally declared disasters, federal oversight agencies may grant waivers or suspensions of rules, which if duplicated in 10 TAC would then create an inconsistency;

WHEREAS, the Department wants to provide clarity through the rulemaking process on how it would handle such situations;

WHEREAS, such rulemaking, proposed for 10 TAC §1.5, Waiver Applicability in the Case of Federally Declared Disasters, was approved by the TDHCA Governing Board on December 14, 2017, and was published in the *Texas Register* for public comment on Dec. 29, 2017; and

WHEREAS, a 30-day public comment period began on Tuesday, January 2, 2018, and continued until February 2, 2018, and public comment has been addressed in the preamble presented at this meeting;

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 cause the proposed new 10 TAC §1.5, Waiver Applicability in the Case of Federally Declared Disasters, in the form presented to this meeting, to be adopted without changes, 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, including the preparation of the subchapter specific preambles.

BACKGROUND

In the interest of making Department rules understandable and transparent, at times the Department's rules, formalized at 10 TAC, include language that is duplicative of federal requirements. This allows program participants to see federal and state requirements in one place, and generally these types of clauses merely repeat a federal requirement. As has been recently experienced with Hurricane Harvey, and is often the case with disaster response, federal oversight agencies have a practice of granting waivers or suspensions of federal rules so that the state can expedite the dissemination of resources to those in need. When such waivers or suspensions occur, and the requirements being waived or suspended have been repeated in the Department's rules at 10 TAC, there is a risk that an inconsistency may be created. In such cases, even with the federal waiver or suspension, the Department and persons subject to such rules would be placed in the position of being federally compliant but possibly not compliant with the Department's rules, even though those rules were constructed to repeat the federal requirement.

To ensure that the Department would not face such limitations or restrictions, when federal authority has been granted, staff recommended a rule in Chapter 1 of the Department's rules making clear how it would handle such situations. That rule was approved by the TDHCA Governing Board on December 14, 2017, and was published in the *Texas Register* for public comment on December 29, 2017. The 30-day public comment period began on Tuesday, January 2, 2018, and continued until February 2, 2018. One comment was received, which staff has responded to below. Staff recommends adopting the rule as proposed with no changes.

Attachment 1: Preamble and order adopting new 10 TAC §1.5, Waiver Applicability in the Case of Federally Declared Disasters

The Texas Department of Housing and Community Affairs (the "Department") adopts new 10 TAC §1.5, Waiver Applicability in the Case of Federally Declared Disasters without changes to the text published in the December 29, 2017, Texas Register (42 Tex Reg 7493).

REASONED JUSTIFICATION. This new section specifies how the Department's rules will be applied in cases of federally declared disasters, specifically when the Department's rules reiterate federal regulations or requirements that have been waived, suspended, or amended.

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS. The public comment period was from January 2, 2018, through February 2, 2018. One comment was received from the Texas Association of Community Action Agencies, Inc. ("TACAA").

COMMENT SUMMARY: TACAA commented that they are appreciative of the Department's efforts to be proactive in assisting Texans affected by disasters and believes this rule will assist in doing so. TACAA recommends that the proposed rule also include a waiver of procurement rules for services during a disaster because procurement is time consuming and takes staff away from providing help, and because pools of vendors may be more limited during disasters making procurement even more challenging. TACAA also recommends including in the rule a waiver of federal poverty guidelines or at a minimum increasing the threshold from 125% of poverty to 150% or 200% of federal poverty guidelines.

STAFF RESPONSE: The rule proposed does not eliminate or overrule any federal regulations unless those regulations are waived, suspended, or amended by a federal agency. If a rule that is changed federally relates to procurement or qualifying household poverty guidelines, this rule as drafted, with no further edits, would allow that waiver to apply to the Department's programs as well. However, if procurement requirements or household poverty guidelines are not waived federally, the Department does not have the authority, even through the rulemaking process, to waive those requirements. As drafted, the waiver/suspension/amendement could apply to issues associated with procurement and household poverty guidelines if federally waived. Staff recommends adopting the rule as proposed with no changes.

STATUTORY AUTHORITY. The new rule is adopted pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules.

The adopted new rule affects no other code, article or statute.

<rule>

§1.5, Waiver Applicability in the Case of Federally Declared Disasters

When the federal government has provided the Department a waiver, suspension, or contract amendment of a federal programmatic regulation, statute, or contract term in response to a federally declared disaster, and the requirement waived, suspended, or amended had been codified in this Title, the Executive Director may waive, suspend or modify the rule within this Title, if:

(1) the Executive Director has determined that not doing so may negatively affect the health, safety, or welfare of program recipients;
(2) such waiver, suspension, or modification is limited to the federally provided waiver, suspension, or modification; and
(3) such waiver or suspension would not have negatively affected the selection of an award of Department resources.

10

BOARD ACTION REQUEST

COMMUNITY AFFAIRS DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC Chapter 5, Community Affairs Programs: Subchapter A, General Provisions; Subchapter B, Community Services Block Grant ("CSBG"); Subchapter D, Comprehensive Energy Assistance Program; Subchapter E, Weatherization Assistance Program General; Subchapter F, Weatherization Assistance Program Department of Energy; Subchapter G, Weatherization Assistance Program Low-Income Home Energy Assistance Program; Subchapter J, Homeless Housing and Services Program ("HHSP"); Subchapter K, Emergency Solutions Grants ("ESG"); Subchapter L, Compliance Monitoring, and directing that they be published for public comment in the *Texas Register* while renaming Chapter 5 Community Affairs Programs to Chapter 5 Section 8 Housing Choice Voucher Program

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code, §2306.053, the Department is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, in the fall of 2016, the Department undertook a broad reorganization of, and revision to, the rules that govern the programs administered by the Community Affairs Division culminating in a newly created and adopted 10 TAC Chapter 6, Community Affairs Programs and 10 TAC Chapter 7, Homelessness Programs, and moving certain provisions to 10 TAC Chapter 1, Subchapter D Uniform Guidance For Recipients Of Federal and State Funds and 10 TAC Chapter 2, Enforcement, to replace all subchapters within Chapter 5 with the exception of Subchapter H, relating to Section 8;

WHEREAS, as part of the reorganization of the rules, 10 TAC Chapter 5 was to remain in effect and would continue to govern any and all contracts that reference said Chapter until such time that all related contracts were complete;

WHEREAS, all contracts governed by the sections of Chapter 5 proposed for repeal are now complete; and

WHEREAS, upon authorization of this item, the proposed repeal of the aforementioned Subchapters will be published in the *Texas Register* for public comment from March 9, 2018, through April 9, 2018, and subsequently will rename Chapter 5 to "Section 8 Housing Choice Voucher Program;"

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 cause the proposed repeal of 10 TAC Chapter 5, Community Affairs Programs: Subchapter A, General Provisions; Subchapter B, Community Services Block Grant ("CSBG"); Subchapter

D, Comprehensive Energy Assistance Program; Subchapter E, Weatherization Assistance Program General; Subchapter F, Weatherization Assistance Program Department of Energy; Subchapter G, Weatherization Assistance Program Low-Income Home Energy Assistance Program; Subchapter J, Homeless Housing and Services Program ("HHSP"); Subchapter K, Emergency Solutions Grants ("ESG"); Subchapter L, Compliance Monitoring, in the form presented to this meeting, to be published in the *Texas Register* for public comment, while renaming Chapter 5 to "Section 8 Housing Choice Voucher Program," and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing and

FURTHER RESOLVED, that if the Department receives no substantive comment on the repeal of these Subchapters that the Department will repeal these Subchapters without returning to the Board for further approval.

BACKGROUND

Within 10 TAC Chapter 5 a series of different Department rules governed the programs administered by the Community Affairs Division. Those programs included the Community Services Block Grant, Comprehensive Energy Assistance Program, Weatherization Assistance Program, Section 8, Emergency Solutions Grant, and Homeless Housing and Services Program. Over time, varying components of those rules have been amended, as needed, to address specific changes, but a wholesale reorganization and revision of the Chapter was needed and conducted throughout the late summer and fall of 2016.

At the Board meeting of November 10, 2016, the Board adopted 10 TAC Chapter 6, Community Affairs Programs and 10 TAC Chapter 7, Homelessness Programs to replace all non-Section 8 subchapters within 10 TAC Chapter 5 with the understanding that Chapter 5 and all its subchapters remain in place to address contracts still governed by Chapter 5. At that time and throughout 2017, Chapter 5 applied to many existing contracts which referenced said Subchapters. Because contracts have now been completed and therefore there is no longer a need for these Subchapters, the Department proposes to repeal all non-Section 8 subchapters leaving only Subchapter H, Section 8 Housing Choice Voucher Program in place. The Department will be renaming Chapter 5 to "Section 8 Housing Choice Voucher Program" instead of "Community Affairs Programs."

The proposed repeal will, upon action by the Board, be published in the *Texas Register* for public comment from March 9, 2018, through April 9, 2018. The renaming of Chapter 5 from Community Affairs Programs to Section 8 Housing Choice Voucher Program will occur as a result of an administrative action between the Department and the Texas Secretary of State *Texas Register* section.

Attachment A: Preamble and proposed repeal of 10 TAC Chapter 5 Community Affairs Programs: Subchapter A, General Provisions; Subchapter B, Community Services Block Grant (CSBG); Subchapter D, Comprehensive Energy Assistance Program; Subchapter E, Weatherization Assistance Program General; Subchapter F, Weatherization Assistance Program Department of Energy; Subchapter G, Weatherization Assistance Program Low-Income Home Energy Assistance Program; Subchapter J, Homeless Housing and Services Program (HHSP); Subchapter K, Emergency Solutions Grants (ESG); Subchapter L, Compliance Monitoring

The Texas Department of Housing and Community Affairs (the "Department") proposes the repeal of 10 TAC Chapter 5 Community Affairs Programs: Subchapter A, General Provisions; Subchapter B, Community Services Block Grant (CSBG); Subchapter D, Comprehensive Energy Assistance Program; Subchapter E, Weatherization Assistance Program General; Subchapter F, Weatherization Assistance Program Department of Energy; Subchapter G, Weatherization Assistance Program Low-Income Home Energy Assistance Program; Subchapter J, Homeless Housing and Services Program (HHSP); Subchapter K, Emergency Solutions Grants (ESG); Subchapter L Compliance Monitoring. The purpose of the proposed repeal is to eliminate outdated sections of rules that are no longer used to govern the applicable programs. As part of a broad reorganization of, and revision to, the rules that govern the programs administered by the Community Affairs Division, two new Chapters were created and adopted into the TAC in December 2016 to address any and all such rules that are proposed for repeal. The newly adopted Chapters, Chapter 6, Community Affairs Programs and Chapter 7, Homelessness Programs along with the revised sections of Chapters 1 and 2, take the place of all subchapters within Chapter 5 with the exception of Subchapter H, regarding the Section 8 Program. Any and all programs and/or contracts regulated by the Subchapters within Chapter 5 listed above are no longer in effect thereby making the rules obsolete and necessitating their removal from the TAC.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that for each year of the first five years the repealed Subchapters will be in effect, enforcing or administering the repealed Subchapters does not have any foreseeable implications related to costs or revenues of the state or local governments.

GOVERNMENT GROWH IMPACT STATEMENT. Mr. Irvine also has determined that, for the first five years the repealed Subchapters would be in effect:

1. The proposed repeal does not create or eliminate a government program;
2. The proposed repeal will not require a change in the number of employees of the Department;
3. The proposed repeal will not require additional future legislative appropriations;
4. The proposed repeal will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed repeal will not create a new regulation;
6. The proposed repeal will not expand, will not limit, or will not repeal an existing regulation;
7. The proposed repeal will not increase or will not decrease the number of individuals subject to the rule's applicability; and
8. Will neither positively or negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed Subchapters will be to eliminate rules that are no longer in effect lessening the amount of rules in the TAC thereby reducing redundancy within the Department. There will be no economic cost to any individuals as a result of the repeal.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The public comment period for the proposed repeal will be from March 9, 2018, to April 9, 2018. Written comments may be mailed to the Texas Department of Housing and Community Affairs, Gavin Reid, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by fax to (512) 475-3935; or email to gavin.reid@tdhca.state.tx.us.

ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M Austin local time, April 9, 2018.

STATUTORY AUTHORITY. The repealed Subchapters are proposed pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules. Additionally, the repealed Subchapters are proposed pursuant to Texas Government Code Chapter 2306, which specifically authorizes the Department to administer community affairs programs.

The proposed repeal affects no other code, article, or statute.

REPEAL: 10 TAC Chapter 5, Community Affairs Programs

Subchapter A. General Provisions.

Subchapter B. Community Services Block Grant (CSBG).

Subchapter D. Comprehensive Energy Assistance Program.

Subchapter E. Weatherization Assistance Program General.

Subchapter F. Weatherization Assistance Program Department of Energy.

Subchapter G. Weatherization Assistance Program Low-Income Home Energy Assistance Program.

Subchapter J. Homeless housing and Services Program (HHSP).

Subchapter K. Emergency Solutions Grants (ESG).

Subchapter L. Compliance Monitoring.

Report Items

R1

BOARD REPORT ITEM

COMMUNITY AFFAIRS DIVISION

FEBRUARY 22, 2018

Report to the Board on a contract renewal for the Community Action Partnership ("CAP")

BACKGROUND

In the Community Services Block Grant ("CSBG") Application and State Plan for Program Year 2016-2017, the Texas Department of Housing and Community Affairs (the "Department") reserved $150,000 per year to support Organizational Assessments of network agencies' operations and procedures through the use of a previously procured contract with the Community Action Partnership ("CAP"). A contract between CAP and the Department was executed for 2016 and it was to be renewed prior to expiration so that payment for services rendered could be made; however, a lapse in the contract occurred and payment could not be made after the contract period. Subsequently, CAP was procured as a contractor on a going forward basis.

To make payment for services satisfactorily performed by CAP during the months between the two contracts, a renewal contract and new purchase order were utilized and the payment to CAP of $77,746.04 was made on January 31, 2018. The contract has been fulfilled and is now closed. This is being disclosed to the Board because it involves a deviation from normal procedures.

R2

TDHCA Outreach Activities, January - February 2018

A compilation of outreach and educational activities designed to enhance the awareness of TDHCA programs and services among key stakeholder groups and the general public.

Activity	Event	Date	Location	Division
Public Hearing	Draft 2018 State of Texas Low Income Housing Plan/Annual Report	01/30/18	Austin, TX	Housing Resource Center
Quarterly Meeting	Texas Interagency Council for the Homeless ("TICH")	01/30/18	Austin, TX	Housing Resource Center
Roundtable	Ending Homelessness Fund	01/30/18	Austin, TX	HOME and Homelessness Programs
Public Hearing	Preserve at Hunters Crossing	01/30/18	Bastrop, TX	Multifamily Finance
Quarterly Meeting	Housing and Health Services Coordination Council ("HHSCC")	01/31/18	Austin, TX	Housing Resource Center, MF Finance, Executive
Training/Workshop	ESG Learning Opportunity – Annual Reporting	02/07/18	N/A	HOME and Homelessness Programs
Training/Workshop	HUD 4350.3 Income Determination	02/13/18	San Antonio, TX	Compliance

Internet Postings of Note

A list of new or noteworthy postings to the Department's website.

Asset Management

- Updated announcements related to board action items and properties

Colonia Initiatives:

- Updated Single Family Programs Umbrella Rules
- Added Energy Efficiency Rules
- Updated Amy Young Barrier Removal forms
- Updated listings for Colonia Resident Advisory Committee members
- Added county contact information
- Provided direct links to program-related forms and files
- Updated list of Self-Help Center administrators

Communications:

- Added link to Texas Ending Homelessness Fund page to Featured Items on TDHCA homepage
- Added Ending Homelessness Fund press announcement and logo links
- Updated TDHCA homepage article, "TDHCA in the news" with reprint of HOME program article

Community Affairs:

- Updated income eligibility guidelines to CSBG, CEAP, and WAP web pages
- Updated Rules and Regulations for procurement standards for contracts subject to TAC Chapter 6
- Updated CEAP, CSBG and WAP program guidance (income limits) to reflect February 2018 date
- Added list of CA subrecipients
- Updated Community Needs Assessment guide and forms
- Updated CSBG content and replaced 2018 and 2019 CSBG State Application and Plan

Compliance:

- Updated accessibility forms and information

Fair Housing

- Updated Fair Housing training providers
- Updated VAWA form 5381

HOME and Homeless:

- Updated HOME reservation summary
- Updated multiple forms and guidance documents related ESG program
- Updated HHSP client eligibility and documentation guidelines
- Added ESG Annual Reporting Webinar (recorded) with Q&A

Housing Choice Voucher

- Added 2018 Annual PHA Plan

Housing Resource Center:

- Added temporary appointee member information to HHSCC representative list

Migrant Housing:

- Updated list of licensed migrant labor facilities

Multifamily:

- Updated 2018 housing tax credit templates and user guide
- Added 2018 Multifamily Bond Pre-App submission procedures manual
- Added 2018 MF Bond Pre-application
- Added Post Award Guidance for 4% HTC program, 2018 Post Bond Closure Submission Packet
- Added 2018 9% HTC Pre Application Log and individually imaged applications
- Updated 2017 4% HTC Bond Status Log and added 4% HTC Bond Status Log with January 2018 spreadsheet
- Added 2018-1 MF Direct Loan Application Log
- Replaced 2018 HTC Award Limits and Estimated Regional Allocation to reflect January date

Notice of Funding Availability

- Updated funding amount for Multifamily Direct Loan 2018-1 to $28.8 million
- Updated the 2017 HOME Single Family Special Set-Aside NOFA with amended amount
- Added 2017 HOME Single Family HRA General Set-Aside and 2017 HOME Single Family HBA and TBRA General Set-Aside

Program Services

- Added content related to HUD requirements for relocation services as applied to specific programs
- Updated list of Quality Assurance duties as applied to specific funded programs

Public Comment:

- Added Draft 10 TAC §1.5, Waiver Applicability in the Case of Federally Declared Disasters
- Amended close date for Draft 2018 State of Texas Low Income Housing Plan and Annual Report
- Added Draft Substantial Amendment of the 2015-2019 State of Texas Consolidated Plan

Purchasing:

- Updated list of No-Bid contracts as required by state

Real Estate Analysis

- Updated TAC Rules to add 2018 rules

Frequently Used Acronyms

AMFI	Area Median Family Income
AYBR	Amy Young Barrier Removal Program
CEAP	Comprehensive Energy Assistance Program
CFD	Contract for Deed Program
CFDC	Contract for Deed Conversion Assistance Grants
CHDO	Community Housing Development Organization
CMTS	Compliance Monitoring and Tracking System
CSBG	Community Services Block Grant Program
ESG	Emergency Solutions Grants Program
FAQ	Frequently Asked Questions
HBA	Homebuyer Assistance Program
HHSCC	Housing and Health Services Coordination Council
HHSP	Homeless Housing and Services Program
HRA	Homeowner Rehabilitation Assistance Program
HRC	Housing Resource Center
HTC	Housing Tax Credit
HTF	Housing Trust Fund
HUD	US Department of Housing and Urban Development
IFB	Invitation for Bid
LURA	Land Use Restriction Agreement
MF	Multifamily
MFTH	My First Texas Home Program
MRB	Mortgage Revenue Bond Program
NHTF	National Housing Trust Fund
NOFA	Notice of Funding Availability
NSP	Neighborhood Stabilization Program
OIG	Office of Inspector General
QAP	Qualified Allocation Plan
QCP	Quantifiable Community Participation
REA	Real Estate Analysis
RFA	Request for Applications
RFO	Request for Offer
RFP	Request for Proposals
RFQ	Request for Qualifications
ROFR	Right of First Refusal
SLIHP	State of Texas Low Income Housing Plan
TA	Technical Assistance
TBRA	Tenant Based Rental Assistance Program
TICH	Texas Interagency Council for the Homeless
TSHEP	Texas Statewide Homebuyer Education Program
TXMCC	Texas Mortgage Credit Certificate
VAWA	Violence Against Women Act
WAP	Weatherization Assistance Program

R3

BOARD REPORT ITEM

FINANCIAL ADMINISTRATION DIVISION

FEBRUARY 22, 2018

Report on the Department's 1st Quarter Investment Report in accordance with the Public Funds Investment Act ("PFIA")

BACKGROUND

The Department's investment portfolio consists of two distinct parts. One part is related to bond funds under trust indentures that are not subject to the PFIA, and the remaining portion is related to accounts excluded from the indentures but covered by the PFIA. The Department's total investment portfolio is $721,047,620, of which $689,812,649 is not subject to the PFIA. This report addresses the remaining $31,234,971 (See Page 1 of the Internal Management Report) in investments covered by the PFIA. These investments are deposited in the General Fund, Housing Trust Fund, Compliance, and Housing Initiative accounts, which are all held at the Texas Treasury Safekeeping Trust Company ("TTSTC"), primarily in the form of overnight repurchase agreements. These investments are fully collateralized and secured by the U.S. Government Securities. A repurchase agreement is the purchase of a security with an agreement to repurchase that security at a specific price and date (which in this case was November 30, 2017), with an effective interest rate of .98%. These investments safeguard principal while maintaining liquidity.

Below is a description of each fund group and its corresponding accounts.

- The General Fund accounts maintain funds for administrative purposes to fund expenses related to the Department's ongoing operations. These accounts contain balances related to bond residuals, fee income generated from the Mortgage Credit Certificate ("MCC") Program, escrow funds, single family and multifamily bond administration fees, and balances associated with the Below Market Interest Rate ("BMIR") Program.

- The Housing Trust Fund accounts maintain funds related to programs set forth by the Housing Trust Fund funding plan. The Housing Trust Fund provides loans and grants to finance, acquire, rehabilitate, and develop decent and safe affordable housing.

- The Compliance accounts maintain funds from compliance monitoring fees and asset management fees collected from multifamily developers. The number of low income units and authority to collect these fees is outlined in the individual Land Use Restriction Agreements ("LURAs") that are issued to each Developer. These fees are generated for the purpose of offsetting expenses incurred by the Department related to the monitoring and administration of these properties.

- The Housing Initiative accounts maintain funds from fees collected from Developers in connection with the Department's Tax Credit Program. The majority of fees collected are application fees and commitment fees. The authority for the collection of these fees is outlined in the Department's Multifamily Rules. These fees are generated for the purpose of offsetting expenses incurred by the Department related to the administration of the Tax Credit Program.

This report is in the format required by the Public Funds Investment Act. It shows in detail the types of investments, their maturities, their carrying (face amount) values, and fair values at the beginning and end of the quarter. The detail for investment activity is on Pages 1 and 2.

During the 1st Quarter, as it relates to the investments covered by the PFIA, the carrying value decreased by $493,772 (See Page 1) for a total of $31,234,971. The decrease is described below by fund groups.

General Fund: The General Fund increased by $267,563. This consists primarily of $521,559 received in multifamily bond administration fees, and $1,069,222 in MCC Fees, offset by disbursements including $1,100,000 to fund the operating budget, and $279,795 in bond related expenses.

Housing Trust Fund: The Housing Trust Fund increased by $1,801,582. This consists primarily of $700,325 received in loan repayments and $2,466,000 from General Revenue Appropriations, offset by disbursements including $1,343,476 for loans, grants and escrow payments.

Compliance: Compliance funds decreased by $3,260,681. This consists primarily of $1,030,070 received in compliance fees, offset by disbursements of $4,315,361 transferred to fund the operating budget.

Housing Initiative: Housing Initiative funds increased by $697,764. This consists primarily of $3,298,410 received in fees related to tax credit activities, offset by disbursements of $2,633,657 transferred to fund the operating budget.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING NOVEMBER 30, 2017

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Internal Management Report (Sec. 2256.023)
Supplemental Management Report
Quarter Ending November 30, 2017

	Investment Type	FAIR VALUE (MARKET) @ 08/31/17	CARRYING VALUE @ 08/31/17	ACCRETION / PURCHASES	CHANGE IN CARRYING VALUE AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 11/30/17	FAIR VALUE (MARKET) @ 11/30/17	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT RECVBL @ 11/30/17	RECOGNIZED GAIN
NON-INDENTURE RELATED:												
General Fund	Mortgage-Backed Securities	72,827.69	72,387.60			(20,301.67)	-	52,085.93	52,355.04	(170.98)	**365.95**	
General Fund	Repurchase Agreements	5,037,492.27	5,037,492.27	1,227,450.58	(939,585.40)	-	-	5,325,357.45	5,325,357.45	0.00	**104.56**	
Housing Trust Fund	Repurchase Agreements	6,467,279.92	6,467,279.92	4,310,977.97	(2,509,396.08)	-	-	8,268,861.81	8,268,861.81	0.00	**225.35**	
Compliance	Repurchase Agreements	10,076,118.39	10,076,118.39		(3,260,681.33)	-	-	6,815,437.06	6,815,437.06	0.00	**185.54**	
Housing Initiatives	Repurchase Agreements	10,075,464.66	10,075,464.66	1,137,962.51	(440,198.75)	-	-	10,773,228.42	10,773,228.42	0.00	**293.47**	
NON-INDENTURE RELATED TOTAL		**31,729,182.93**	**31,728,742.84**	**6,676,391.06**	**(7,149,861.56)**	**(20,301.67)**	**0.00**	**31,234,970.67**	**31,235,239.78**	**(170.98)**	**1,174.87**	**0.00**

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

Per Section 2256.007(d) of the Texas Government Code, the Public Funds Investment Act:
David Cervantes completed 5.0 hrs. of training on the Texas Public Funds Investment Act on August 11, 2017
Monica Galuski completed 5.0 hrs. of training on the Texas Public Funds Investment Act on February 17, 2017

Date 2/9/18
David Cervantes, Chief Financial Officer

Monica Galuski
Date 2/12/18
Monica Galuski, Chief Investment Officer

Texas Department of Housing and Community Affairs
Non-Indenture Related Investment Summary
For Period Ending November 30, 2017

Investment Type	Issue	Beginning Carrying Value 08/31/17	Beginning Market Value 08/31/17	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/17	Ending Market Value 11/30/17	Change In Market Value	Recognized Gain
Repo Agmt	General Fund	161,607.00	161,607.00	18,317.19				179,924.19	179,924.19		
Repo Agmt	General Fund	33,932.41	33,932.41	52.15				33,984.56	33,984.56		
Repo Agmt	General Fund	1,485,415.30	1,485,415.30		(678,583.51)			806,831.79	806,831.79		
Repo Agmt	General Fund	826,084.37	826,084.37	1,055,064.89				1,881,149.26	1,881,149.26		
Repo Agmt	General Fund	973,314.98	973,314.98		(251,866.27)			721,448.71	721,448.71		
Repo Agmt	General Fund	499,135.87	499,135.87	130,192.45				629,328.32	629,328.32		
Repo Agmt	General Fund	242,671.76	242,671.76	558.57				243,230.33	243,230.33		
Repo Agmt	General Fund	691,594.82	691,594.82	23,265.33				714,860.15	714,860.15		
Repo Agmt	General Fund	123,735.76	123,735.76		(9,135.62)			114,600.14	114,600.14		
GNMA	General Fund	12,456.19	12,524.82			(3,651.29)		8,804.90	8,842.06	(31.47)	
GNMA	General Fund	11,031.25	11,084.31			(4,494.19)		6,537.06	6,557.98	(32.14)	
GNMA	General Fund	8,461.92	8,517.77			(2,313.47)		6,148.45	6,181.65	(22.65)	
GNMA	General Fund	9,615.15	9,678.90			(2,358.57)		7,256.58	7,295.91	(24.42)	
GNMA	General Fund	2,092.58	2,096.91			(508.75)		1,583.83	1,586.93	(1.23)	
GNMA	General Fund	13,883.23	13,975.55			(3,330.69)		10,552.54	10,616.80	(28.06)	
GNMA	General Fund	14,847.28	14,949.43			(3,644.71)		11,202.57	11,273.71	(31.01)	
	General Fund Total	5,109,879.87	5,110,319.96	1,227,450.58	(939,585.40)	(20,301.67)	0.00	5,377,443.38	5,377,712.49	(170.98)	0.00
Repo Agmt	Housing Trust Fund	20,425.85	20,425.85	39,110.85				59,536.70	59,536.70		
Repo Agmt	Housing Trust Fund	1,292.38	1,292.38	656.04				1,948.42	1,948.42		
Repo Agmt	Housing Trust Fund	337,845.51	337,845.51		(297,820.43)			40,025.08	40,025.08		
Repo Agmt	General Revenue Appn	15,278.49	15,278.49	8,136.69				23,415.18	23,415.18		
Repo Agmt	General Revenue Appn	1,347,295.04	1,347,295.04		(1,138,864.20)			208,430.84	208,430.84		
Repo Agmt	General Revenue Appn	145,820.36	145,820.36	171,124.04				316,944.40	316,944.40		
Repo Agmt	General Revenue Appn	116,644.38	116,644.38		(649.91)			115,994.47	115,994.47		
Repo Agmt	General Revenue Appn	245,787.30	245,787.30					245,787.30	245,787.30		
Repo Agmt	Housing Trust Fund-GR	1,151,441.70	1,151,441.70		(562,561.54)			588,880.16	588,880.16		
Repo Agmt	Housing Trust Fund-GR	245,832.00	245,832.00	2,820,174.00				3,066,006.00	3,066,006.00		
Repo Agmt	Boostrap -GR	2,529,116.91	2,529,116.91		(477,000.00)			2,052,116.91	2,052,116.91		
Repo Agmt	Boostrap -GR			1,271,776.35				1,271,776.35	1,271,776.35		
Repo Agmt	Contract for Deed Conversion	310,500.00	310,500.00		(32,500.00)			278,000.00	278,000.00		
	Housing Trust Fund Total	6,467,279.92	6,467,279.92	4,310,977.97	(2,509,396.08)	0.00	0.00	8,268,861.81	8,268,861.81	0.00	0.00
Repo Agmt	Multi Family	1,096,790.86	1,096,790.86		(196,228.77)			900,562.09	900,562.09		
Repo Agmt	Multi Family	1,033,883.61	1,033,883.61		(349,567.24)			684,316.37	684,316.37		
Repo Agmt	Low Income Tax Credit Prog.	7,945,443.92	7,945,443.92		(2,714,885.32)			5,230,558.60	5,230,558.60		
	Compliance Total	10,076,118.39	10,076,118.39	0.00	(3,260,681.33)	0.00	0.00	6,815,437.06	6,815,437.06	0.00	0.00
Repo Agmt	Asset Management	1,178,229.64	1,178,229.64		(56,287.30)			1,121,942.34	1,121,942.34		
Repo Agmt	Low Income Tax Credit Prog.	1,482,227.28	1,482,227.28		(383,911.45)			1,098,315.83	1,098,315.83		
Repo Agmt	Low Income Tax Credit Prog.	7,024,512.45	7,024,512.45	1,117,771.30				8,142,283.75	8,142,283.75		
Repo Agmt	Low Income Tax Credit Prog.	390,495.29	390,495.29	20,191.21				410,686.50	410,686.50		
	Housing Initiatives Total	10,075,464.66	10,075,464.66	1,137,962.51	(440,198.75)	0.00	0.00	10,773,228.42	10,773,228.42	0.00	0.00
	Total Investment Summary	31,728,742.84	31,729,182.93	6,676,391.06	(7,149,861.56)	(20,301.67)	0.00	31,234,970.67	31,235,239.78	(170.98)	0.00

R4

BOARD REPORT ITEM

BOND FINANCE DIVISION

FEBRUARY 22, 2018

REPORT ITEM

Report on the Department's 1st Quarter Investment Report relating to funds held under Bond Trust Indentures

BACKGROUND

- The Department's Investment Policy excludes funds invested under a bond trust indenture for the benefit of bond holders because each trust indenture controls the authorized investments under that particular trust indenture. Management of assets within an indenture is the responsibility of the Trustee. This internal management report is for informational purposes only and, while not required under the Public Funds Investment Act, it is consistent with the prescribed format and detail as required by the Public Funds Investment Act. It details the types of investments, maturity dates, carrying (face amount) values, and fair market values at the beginning and end of the quarter.

- Overall, the portfolio carrying value decreased by approximately $4.2 million (see page 3), resulting in an end of quarter balance of $689,812,649. The decrease reflects loan repayments and bond redemptions.

  The portfolio consists of those investments described in the attached Bond Trust Indentures Supplemental Management Report.

	Beginning Quarter	Ending Quarter
Mortgage Backed Securities ("MBS")	83%	86%
Guaranteed Investment Contracts/Investment Agreements	4%	4%
Repurchase Agreements	7%	5%
Money Markets and Mutual Funds	6%	5%

The increase in MBS is due to the issuance of multifamily mortgage revenue bonds and the acquisition of new MBS. The decrease in Repurchase Agreements, Money Markets and Mutual Funds is due to the withdrawal of funds for bond debt service.

Portfolio activity for the quarter:

- $34.7 million in MBS were purchased this quarter due to the issuance of multifamily bonds and acquisition of new MBS.

- The maturities in MBS this quarter were $20.2 million which represent loan repayments or payoffs. The table below shows the trend in MBS activity.

	1st Qtr FY 17	2nd Qtr FY 17	3rd Qtr FY 17	4th Qtr FY 17	1st Qtr FY 18	Total
Purchases				$ 104,005,338	$ 34,700,000	$ 138,705,338
Sales						$ -
Maturities	$ 26,818,361	$ 36,222,187	$ 21,716,863	$ 21,925,178	$ 20,232,566	$ 126,915,155
Transfers						$ -

- The process of valuing investments at fair market value identifies unrealized gains and losses. These gains or losses do not impact the overall portfolio because the Department typically holds these investments (MBS) until maturity.

- The fair market value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties) decreased $5.9 million (see pages 3 and 4), with fair market value being greater than the carrying value. The national average for a 30-year fixed rate mortgage, as reported by the Freddie Mac Primary Mortgage Market Survey as of November 30, 2017, was 3.90%, up from 3.82% at the end of August 2017. There are various factors that affect the fair market value of these investments, but there is a correlation between the prevailing mortgage interest rates and the change in market value.

- Given the current financial environment, this change in market value is to be expected. However, the change is cyclical and is reflective of the overall change in the bond market as a whole.

- The ability of the Department's investments to provide the appropriate cash flow to pay debt service and eventually retire the related bond debt is of more importance than the assessed relative value in the bond market as a whole.

- The more relevant measures of indenture parity are reported on page 5 in the Bond Trust Indenture Parity Comparison. This report shows parity (ratio of assets to liabilities) by indenture with assets greater than liabilities in a range from 98.69% to 264.04% which would indicate the Department has sufficient assets to meet its obligations.

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Management Report
Quarter Ending November 30, 2017

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 8/31/17	CARRYING VALUE @ 8/31/17	ACCRETION / PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 11/30/17	FAIR VALUE (MARKET) @ 11/30/17	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
INDENTURE RELATED:										
Mortgage-Backed Securities	618,435,319.33	579,178,521.47	34,700,000.00		(20,232,566.47)		593,645,955.00	626,918,309.56	(5,984,443.30)	
Guaranteed Inv Contracts	23,773,718.67	23,773,718.67	3,495,987.10	(1,305,400.62)			25,964,305.15	25,964,305.15	-	
Investment Agreements	862,516.77	862,516.77	1,218,853.11	(208,846.89)			1,872,522.99	1,872,522.99	-	
Treasury-Backed Mutual Funds	43,037,634.06	43,037,634.06	4,808,107.42	(14,108,005.68)			33,737,735.80	33,737,735.80	-	
Repurchase Agreements	47,180,402.38	47,180,402.38	1,901,287.89	(14,489,560.28)			34,592,129.99	34,592,129.99	0.00	
TOTAL	733,289,591.21	694,032,793.35	46,124,235.52	(30,111,813.47)	(20,232,566.47)	0.00	689,812,648.93	723,085,003.49	(5,984,443.30)	0.00

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

Per Section 2256.007(d) of the Texas Government Code, the Public Funds Investment Act:

David Cervantes completed 5.0 hrs. of training on the Texas Public Funds Investment Act on August 11, 2017
Monica Galuski completed 5.0 hrs. of training on the Texas Public Funds Investment Act on February 17, 2017

David Cervantes, Chief Financial Officer — Date 2/9/18

Monica Galuski, Chief Investment Officer — Date 2/7/18

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Internal Management Report (Sec. 2256.023)
Supplemental Management Report
Quarter Ending November 30, 2017

	FAIR VALUE (MARKET) @ 08/31/17	CARRYING VALUE @ 08/31/17	CHANGE IN CARRYING VALUE ACCRETION / PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 11/30/17	FAIR VALUE (MARKET) @ 11/30/17	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
INDENTURE RELATED:										
Single Family	451,029,398.12	423,956,208.18	5,802,206.02	(11,894,686.35)	(13,169,088.47)	-	404,694,639.38	427,939,366.95	(3,828,462.37)	
RMRB	188,466,600.18	176,318,762.24	635,737.55	(2,938,101.58)	(6,729,509.50)	-	167,286,888.71	177,574,760.23	(1,859,966.42)	
CHMRB	2,778,691.21	2,606,064.35	231,989.25		(213,265.65)	-	2,624,787.95	2,759,549.53	(37,865.28)	
Taxable Mortgage Program	6,269,547.93	6,161,969.11	44,211.04	(1,060,188.73)	(34,641.34)	-	5,111,350.08	5,201,161.75	(17,767.15)	
Multi Family	84,745,353.77	84,989,789.47	39,508,107.42	(14,316,852.57)	(86,061.51)	-	110,094,982.81	109,610,165.03	(240,382.08)	
TOTAL	**733,289,591.21**	**694,032,793.35**	**46,222,251.28**	**(30,209,829.23)**	**(20,232,566.47)**	**0.00**	**689,812,648.93**	**723,085,003.49**	**(5,984,443.30)**	**0.00**

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds incl Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

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David Cervantes, Chief Financial Officer — Date 2/5/18

Monica Galuski, Chief Investment Officer — Date 2/7/18

Texas Department of Housing and Community Affairs
Bond Finance Division
Executive Summary
As of November 30, 2017

	Single Family Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Collateralized Home Mortgage Revenue Bond Indenture Funds	Multi-Family Indenture Funds	Combined Totals
PARITY COMPARISON:					
PARITY ASSETS					
Cash	$ 133,840	$ 785		$ 21,914,616	$ 22,049,241
Investments[1]	$ 43,772,969	$ 14,265,061	$ 399,706	$ 107,864,457	$ 166,302,193
Mortgage Backed Securities[1]	$ 360,702,776	$ 153,148,979	$ 2,228,440	$ -	$ 516,080,195
Loans Receivable[2]	$ 103,892			$ 865,229,822	$ 865,333,714
Accrued Interest Receivable	$ 1,762,014	$ 571,621	$ 16,217	$ 6,089,902	$ 8,439,754
TOTAL PARITY ASSETS	$ 406,475,491	$ 167,986,446	$ 2,644,363	$ 1,001,098,797	$ 1,578,205,097
PARITY LIABILITIES					
Loans Payable		$ 10,000,000		$ 84,070,045	$ 94,070,045
Bonds and Notes Payable[1]	$ 357,706,919	$ 141,260,000	$ 1,000,000	$ 800,639,624	$ 1,300,606,543
Accrued Interest Payable	$ 2,189,788	$ 2,233,278	$ 1,513	$ 6,360,633	$ 10,785,212
Other Non-Current Liabilities[3]				$ 123,350,377	$ 123,350,377
TOTAL PARITY LIABILITIES	$ 359,896,707	$ 153,493,278	$ 1,001,513	$ 1,014,420,679	$ 1,528,812,177
PARITY DIFFERENCE	$ 46,578,784	$ 14,493,168	$ 1,642,850	$ (13,321,882)	$ 49,392,920
PARITY	**112.94%**	**109.44%**	**264.04%**	**98.69%**	**103.23%**

(1) Investments, Mortgage Backed Securities and Bonds Payable reported at par value not fair value. This adjustment is consistent with indenture cashflows prepared for rating agencies.
(2) Loans Receivable include whole loans only. Special mortgage loans are excluded.
(3) Other Non-Current Liabilities include "Due to Developers" (for insurance, taxes and other operating expenses) and "Earning Due to Developers" (on investments).
Note: Based on preliminary and unaudited financial statements, subject to change in audited financial statements.

R5

BOARD REPORT ITEM

COMPLIANCE DIVISION

FEBRUARY 22, 2018

Report on change in reporting to the Internal Revenue Service ("IRS") regarding eligible basis

BACKGROUND

At the Board meeting of January 18, 2018, staff presented a report about a change in understanding regarding reporting noncompliance to the Internal Revenue Service. Further guidance has been received from the Internal Revenue Service. Staff will monitor and report noncompliance in the following manner:

If at cost certification an owner voluntarily removes costs for amenities from their eligible basis, they can charge for those amenities as long as they do not include those costs on line 7 of form 8609, Low Income Housing Credit Allocation and Certification ("8609").

However, if at cost certification an owner indicates that they are removing costs for amenities but includes those costs on line 7 of the 8609, an 8823 will be filed if they charge for amenities.

The same logic will be applied for developments with excess basis. If at cost certification a developer has more basis than anticipated at the time of application, they can charge for amenities if they exclude the cost of those amenities from their eligible basis reported on line 7 of the 8609. If they put all of their costs on line 7 of the 8609 and charge for amenities, an 8823 will be filed.

Lastly and as always, if all of a development's amenities are included in both the cost certified eligible basis and line 7 of the 8609, and an owner charges for amenities, an 8823 will be filed.

Historically, if a property has excess basis or indicated on their cost certification that they were removing certain costs from their eligible basis, the Department has not cited noncompliance or filed an 8823 if the Development charges for amenities such as garages, storage, covered parking, etc. that had been voluntarily excluded from the total reported eligible basis. From now on, if a property is charging for amenities, staff will compare the cost certified eligible basis to line 7 of the 8609 and proceed according to the guidance above.

The purpose of this report item is to communicate this change to the Board, owners, and managers. An email announcement will also be sent out to the Department's listserv.

Since the state tax credit monitoring agency does not report this issue as corrected on form 8823, consideration also needs to be given to how this will be treated during previous participation reviews. Staff recommends that until there is a rule change, the issue will not be considered during previous participation reviews. As rules are proposed for revision there will be opportunity for public input.

ACTION ITEMS

2a

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action regarding site eligibility under 10 TAC §10.101(a)(2) related to Undesirable Site Features

RECOMMENDED ACTION

WHEREAS, pursuant to 10 TAC §10.101(a)(2) of the 2018 Uniform Multifamily Rules related to Undesirable Site Features, Development Sites within the applicable distance of any of the undesirable features identified therein may be considered ineligible as determined by the Board, unless the Applicant provides information regarding mitigation of the applicable undesirable site feature(s);

WHEREAS, a request was submitted by the applicant for the proposed Cannon Courts (18259) development in Bangs which is within 500 feet of a railway; and

WHEREAS, pursuant to 10 TAC §10.101(a)(2), acceptable mitigation for such undesirable site feature, in accordance with the rule, was not submitted but the applicant has provided representations that it anticipates using HUD or USDA financing and will meet HUD's noise mitigation requirements;

NOW, therefore, it is hereby,

RESOLVED, that the Board determine whether the information regarding mitigation of the undesirable site feature is sufficient and supports site eligibility and/or if the Board would like to contain eligibility on meeting other conditions under the requirements of 10 TAC §10.101(a)(2) of the Uniform Multifamily Rules.

BACKGROUND

The Department received a request from Cannon Courts, LP seeking a determination on site eligibility for a proposed development, Cannon Court, in Bangs. The site, intended to include the New Construction of 60 Units for the General population and funded through the 9% Housing Tax Credit program, is within 500 feet of a railway which constitutes an undesirable site feature requiring disclosure under the rule. Specifically, the rule states the following:

> "*Development Sites located within 500 feet of active railroad tracks, measured from the closest rail to the boundary of the Development Site, unless the Applicant provides evidence that the city/community has adopted a Railroad Quiet Zone or the railroad in question is commuter or light rail.*"

The presence of an undesirable site feature does not automatically render a site ineligible but rather requires an applicant disclose the specific undesirable site feature and submit appropriate mitigation, as further detailed in the rule. Pursuant to §10.101(a)(2):

> "*Where there is a local ordinance that regulates the proximity of such undesirable feature to a multifamily development that has smaller distances than the minimum distances noted below, then*

such smaller distances may be used and documentation such as a copy of the local ordinance identifying such distances relative to the Development Site must be included in the Application."

New for the 2018 Uniform Multifamily Rules, is language in this section that states the following:

"If a state or federal cognizant agency would require a new facility under its jurisdiction to have a minimum separation from housing, the Department will defer to that agency and require the same separation for a new housing facility near an existing regulated or registered facility."

The proposed development site is located east of downtown Bangs on U.S. Highway 67/84. The site is surrounded primarily by local small businesses. To the south of the site is U.S. Highway 67/84 (a split, 4-lane highway), local businesses, approximately 150 feet of vacant property, then the railroad track. According to the map provided by the applicant and attached hereto the railroad track is approximately 492 feet from the proposed development site.

The language in the rule is clear regarding the type of mitigation that could be submitted in order for the Board to find the development site eligible despite the proximity to the railroad track. The Applicant concedes that the City of Bangs has not adopted a Railroad Quiet Zone and does not have a local ordinance that regulates the proximity of a railroad to a multifamily development that has a smaller distance than 500 feet. The Applicant provided no evidence of a state or federal cognizant agency that would require a new facility under its jurisdiction to have a minimum separation from housing, and the railroad is not a commuter or light rail line. Although an application has not been submitted so that the source of financing can be confirmed, the Applicant represented that Cannon Court anticipates using an FHA or USDA financing program and requests that its Development Site be found eligible on condition that it comply with HUD noise standards under 24 CFR § 51.103. The request is based on this Board's decision at the meeting of January 18, 2018, regarding a similarly placed development site and that compliance with HUD requirements constituted an acceptable mitigation.

In this case, the applicant did not provide a local ordinance that imposes a smaller distance than 500 feet from the railroad to the Development Site nor did the applicant provide information from a state or federal cognizant agency that would regulate how close they could put a new railroad track next to residential uses. Per 10 TAC §10.101(a)(2), the Board may determine whether the information regarding mitigation of the applicable undesirable site feature is sufficient and supports site eligibility. The Board could also require the Development to meet the requirements under 24 CFR Part 51, Subpart B, to be determined by an exterior and interior noise study and sufficient mitigation is incorporated in to the Development to obtain 65 decibels or below day-night average sound level and a 45 decibels or below average sound level.

Applicant Request Letter

18259 Cannon Courts

Locke Lord LLP

Attorneys & Counselors

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Telephone: 512-305-4700
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Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

February 12, 2018

Marni Holloway
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

RE: Request for Eligibility Under 10 TAC §10.101(a)(2)(E) related to Undesirable Site Features

Dear Ms. Holloway:

We represent the Applicant, Cannon Courts, LP, for Application 18259 Cannon Courts proposed to be located in Bangs, Texas, Rural Region 2. The Applicant has submitted a pre-application and will submit a final application for 2018 Housing Tax Credits for the construction of 60 new affordable units and as such must adhere to 10 TAC § 10.101(a)(2) of the Multifamily Rules relating to Undesirable Site Features. The Applicant seeks a determination of eligibility for its Development Site, as permitted by the rule.

The rule § 10.101(a)(2) begins *"*Development Sites within the applicable distance of any of the undesirable features identified in subparagraphs (A) - (K) of this paragraph will be considered ineligible *unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and supports Site eligibility."* (emphasis added)

Subsection (E) of the above referenced Section prohibits *"*Development Sites located within 500 feet of active railroad tracks, measured from the closest rail to the boundary of the Development Site, unless the Applicant provides evidence that the city/community has adopted a Railroad Quiet Zone or the railroad in question is commuter or light rail[.]*"*

The town of Bangs, Texas, population 1620, was built because of a railroad between Brownwood and San Angelo. Tracks were laid in the late 1800s, and a general store, post office, and depot sprung up soon thereafter. Today, the city's website touts the railroad: "We are situated on U.S. highways 67 and 84 and the Santa Fe Railroad ten miles west of Brownwood in west central Brown County, Texas." An aerial map of Bangs, attached as <u>Exhibit A</u>, shows the railroad running through the middle of town with development around it, including homes and commercial buildings. This story is not much different from that of many rural communities in our State.

Thus, the Cannon Court application is impacted by the presence of this railway. The proposed entrance to the Development Site is located 492 feet from the railroad track, just eight feet short of the 500 foot requirement. The Applicant's site plan anticipates that no buildings will be located within the 500 foot distance, only eight feet of the driveway entrance. There is a main street (Highway 67) between the proposed Development Site and the railway. Additionally, there are commercial buildings in between the proposed site and the railway. The attached Exhibit B indicates the Development Site location, railway, highway and commercial buildings.

With all of the development along the railroad line, the city of Bangs does not have quiet zone or other ordinances that restrict the presence of housing units within 500 feet of the railroad track. In the absence of such an ordinance or other state or federal authority, the rule permits an applicant to show sufficient mitigation of the undesirable site feature.

At the January 2018 Board meeting, another applicant presented a similar situation, requesting the Board find a site within 500 feet of a railroad track eligible. The previous applicant proposed mitigation by offering to comply with HUD standards regarding noise. The Board stated "We would find the site eligible conditioned on the eligibility for complying with the HUD requirements on noise mitigation."

The Applicant for Cannon Court anticipates using an FHA or USDA financing program and requests that its Development Site be found eligible on condition that it comply with HUD noise standards under 24 CFR § 51.103.

There are limited competitive areas in Rural Region 2. Bangs has never received a tax credit award and it can only be competitive by the receipt of disaster points. The current disaster declaration will expire in June of 2018; therefore, Bangs, Texas will not be eligible for those points in future cycles unless another disaster hits that county. We believe that granting this request will further the purposes and policies as stated in Texas Government Code, §§2306.001(2), 2306.002(1), 2306.002(2), and 2306.6701 and is consistent with the mitigation provisions in the Rule.

We appreciate your time and consideration.

Very truly yours,

Cynthia L Bast

Cynthia L. Bast

CLB/bsh

Exhibit A Aerial map of Bangs
Exhibit B Development Site location, railway, highway and commercial buildings

Exhibit A

Aerial map of Bangs

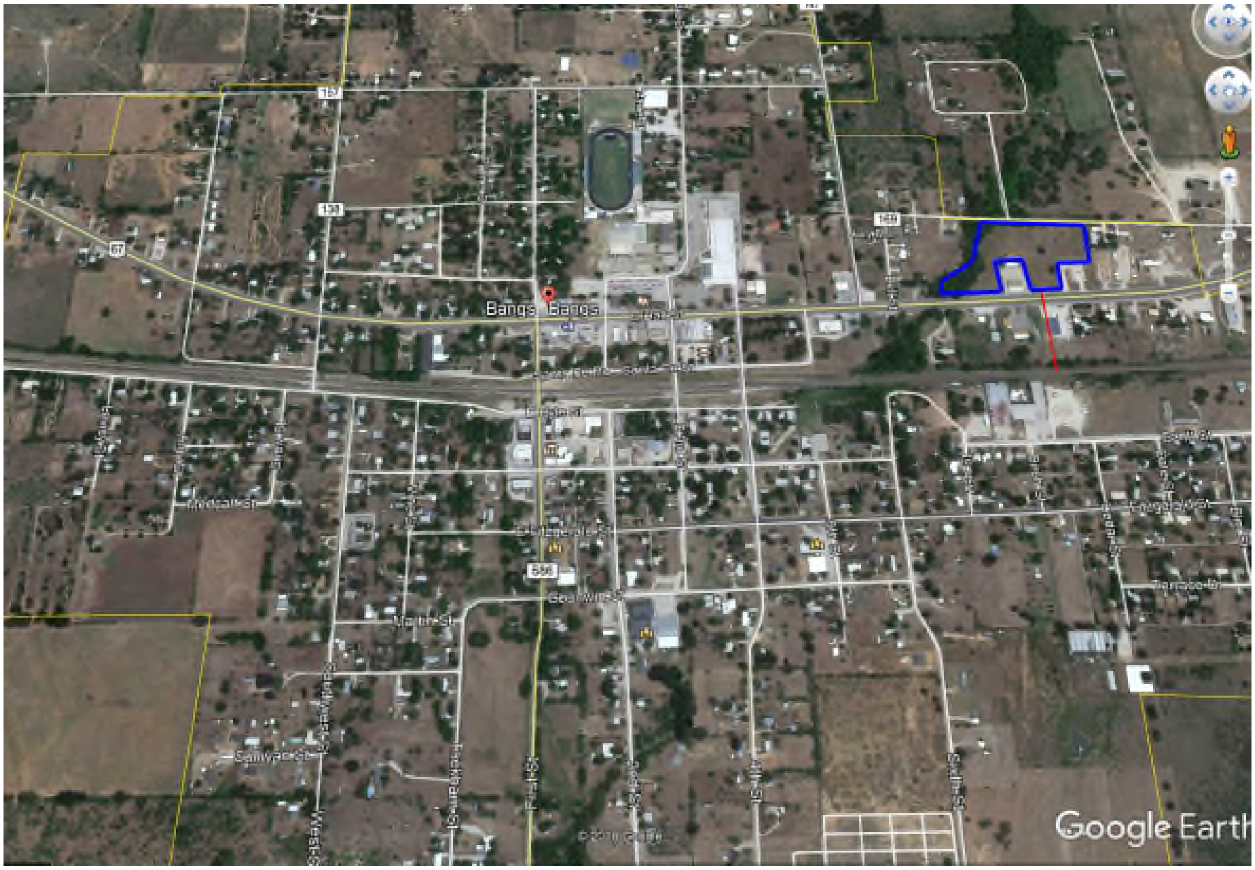
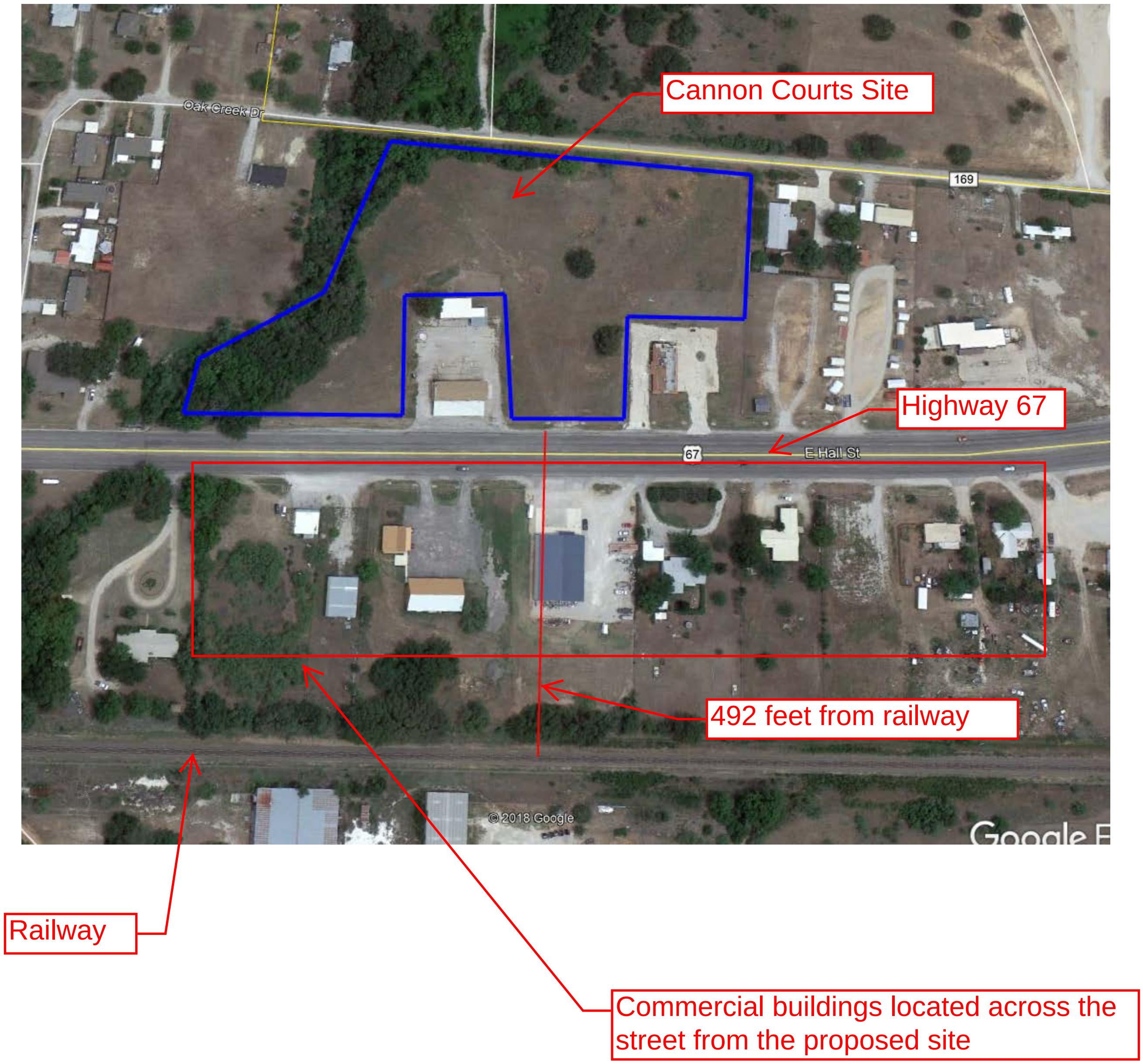

Bangs
Bangs
Google Earth

Exhibit B

Development Site location

railway, highway and commercial buildings


Cannon Courts Site
Oak Creek Dr
169
Highway 67
67
E Hall St
492 feet from railway
© 2018 Google
Railway
Commercial buildings located across the street from the proposed site

2b

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action regarding site eligibility under 10 TAC §10.101(a)(3) related to Undesirable Neighborhood Characteristics for Residences of Stillwater in Georgetown

RECOMMENDED ACTION

WHEREAS, the Residences of Stillwater is anticipated to be a proposed development by Pedcor Investments which was previously brought before the Board at the Board meeting of January 18, 2018, for a decision regarding eligibility for proximity to a railroad track pursuant to 10 TAC §10.101(a)(2) of the 2018 Uniform Multifamily Rules;

WHEREAS, the Board determined the site was eligible despite the proposed development site being within 500 feet of a railroad track, the applicant now desires to seek Board determination regarding an Undesirable Neighborhood Characteristic affecting the proposed development site;

WHEREAS, pursuant to 10 TAC §10.101(a)(3) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, the proposed development is located within the attendance zone of an elementary school that did not achieve the Met Standard rating by the Texas Education Agency ("TEA") for 2017; and

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood, and based on the record of achieving Met Standard for the previous four years (2013 – 2016) and correspondence from a Georgetown ISD official, staff recommends the proposed site be found eligible under 10 TAC §10.101(a)(3)(C)(vii) of the Uniform Multifamily Rules;

NOW, therefore, it is hereby,

RESOLVED, that the Board accepts staff recommendation, and finds the site for the proposed Residences of Stillwater development eligible under the requirements of 10 TAC §10.101(a)(3) of the 2018 Uniform Multifamily Rules.

BACKGROUND

The Department received a request from Pedcor Investments seeking a preliminary determination on site eligibility for a proposed development, Residences of Stillwater, in Georgetown. The site, intended to include new construction, and funded through the 4% Housing Tax Credit program, is within the attendance zone of an elementary school (Cooper Elementary), that did not achieve the Met Standard rating based on the 2017 TEA Accountability Ratings. Cooper Elementary failed to achieve Met Standard based on two points on Index 3, relating to Closing Performance Gaps. Had Cooper achieved a target score under this index of 28 (instead of their score of 26) the school would have achieved Met Standard. A letter by the Director of Assessment for Georgetown ISD described the strategies in place and programs that have been implemented under the school's improvement plan and further expressed confidence that students at Cooper Elementary will show progress in such targeted areas.

Staff does not believe the one-year Improvement Required status of Cooper Elementary is of a nature and severity that should render the proposed development ineligible. Considering the historical trend of performance at Cooper Elementary having achieved Met Standard for the previous four years, combined with the information provided by Georgetown ISD, the mitigation provided is sufficient to deem the site eligible pursuant to 10 TAC §10.101(a)(3) of the Uniform Multifamily Rules. Staff notes that while an application for the proposed development has not yet been submitted, the affirmative recommendation regarding eligibility is based on the facts and information provided herein, and that should an application be filed in a subsequent program year it could affect this determination and might necessitate a Board re-consideration.

2c

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action regarding extension of due date for local government resolutions for affected applications in the 2018 Competitive Housing Tax Credit ("HTC") Application Cycle.

RECOMMENDED ACTION

WHEREAS, pursuant to 10 TAC §11.3(e) related to Limitations on Developments in Certain Census Tracts and 10 TAC §11.4(c) related to Increase in Eligible Basis (30 percent Boost), a Governing Body resolution may be necessary for a Development located in a Census Tract with 20% or greater HTC Units per household in order for the Application to be eligible for funding;

WHEREAS, 10 TAC §11.3(e) was revised for the 2018 HTC Application Cycle to remove the requirement that the Place in which the Development is located have a population greater than 100,000, and that revision was not reflected in the data included in the 2018 Site Demographic Characteristics Report posted on January 4, 2018, resulting in a number of census tracts being omitted from the list;

WHEREAS, the data was revised on January 25, 2018, resulting in an additional 150 census tracts listed and affecting 13 9% HTC pre-applications for which, pursuant to 10 TAC §11.2, the resolution must be submitted by the Full Application Delivery Date, and at least two 4% HTC applications for which the resolution must be submitted by the Resolutions Delivery Date, pursuant to 10 TAC §10.4; and

WHEREAS, the late posting of this revised data may mean that affected Applicants may not have been able to secure a resolution by the current deadline and may need an extension to the deadline;

NOW, therefore, it is hereby

RESOLVED, that for Applications for which the Development Site is located in a census tract that was added to the "20% HTC Units" tab of the 2018 Site Demographic Characteristics Report after January 4, 2018, and an Application is submitted on or prior to March 1, 2018, an extension is granted until April 1, 2018, to provide a governing body resolution pursuant to 10 TAC §11.3(e) related to Limitations on Developments in Certain Census Tracts.

BACKGROUND

The "20% HTC Units" tab of the 2018 HTC Site Demographic Characteristics Report provides information required to determine if a Development Site for a Development proposing New Construction (including Adaptive Reuse) is located in a Census Tract where the housing tax credit Units per household is greater than 20%. As provided for in 10 TAC §11.3(e):

> An Application that proposes the New Construction or Adaptive Reuse of a Development proposed to be located in a census tract that has more than 20 percent Housing Tax Credit Units per total households as established by the 5-year American Community Survey shall be considered ineligible unless the Governing Body of the appropriate municipality or county containing the Development has, by vote, specifically allowed the Development and submits to the Department a resolution stating the proposed Development is consistent with the jurisdiction's obligation to affirmatively further fair housing. The resolution must be submitted by the Full Application Delivery Date as identified in §11.2 of this chapter or Resolutions Delivery Date in §10.4 of this title, as applicable.

And pursuant to 10 TAC §11.4(c)(1):

> ... For New Construction or Adaptive Reuse Developments located in a QCT with 20 percent or greater Housing Tax Credit Units per total households, the Development is eligible for the boost if the Application includes a resolution stating that the Governing Body of the appropriate municipality or county containing the Development has by vote specifically allowed the construction of the new Development and referencing this rule. ... Required documentation must be submitted by the Full Application Delivery Date as identified in §11.2 of this chapter or Resolutions Delivery Date in §10.4 of this title, as applicable.

During rulemaking for the 2018 Multifamily Uniform Application Cycle, the requirement in 10 TAC §11.3(e) that the Place in which the Development is located must have a population of 100,000 or greater was struck from the rule. When staff posted the 2018 Site Demographic Characteristics Report, this rule revision was not considered. Therefore, the "20% HTC Units" tab of the 2018 Site Demographic Characteristics Report posted on the Department's website on January 4, 2018 (attached hereto as Exhibit A), contained an error that resulted in a number of census tracts being omitted from the listing. The document was revised and re-posted on the website on January 25, 2018 (attached hereto as Exhibit B).

Staff has determined that at least 13 competitive HTC pre-applications and at least two 4% Bond applications are affected by this error and may require a governing body resolution to meet the requirements of 10 TAC §11.3(e).

Staff recommends that the Board approve an extension of the deadline to provide a governing body resolution pursuant to 10 TAC §11.3(e) until April 1, 2018, for Applications for which the Development Site is located in a census tract that was added to the "20% HTC Units" tab of the 2018 Site Demographic Characteristics Report after January 4, 2018, and an Application is submitted on or prior to March 1, 2018.

Census Tracts with 20% or more HTC Units per Household
(§11.3(d) & §11.4(c)(1) of the 2018 Qualified Allocation Plan)

The following data provides information required to determine if a Development Site is located in Census Tract where the Housing Tax Credit (HTC) Units per household is greater than 20%. Only those tracts with 20% or greater are reflected below. The following list is **not** a list of QCTs. Where appropriate, Applicants must submit with the application a map showing a Development's location in a QCT.

As provided for in §§11.3(d) & 11.4(c)(1), a Governing Body Resolution may be necessary for a Development located in a Census Tract with 20% or greater HTC Units per household in order for the Application to be eligible for funding or receive the 30% basis boost. If the Census Tract in which a Development is located is listed below, Applicants are encouraged to review the rule to determine if a resolution is necessary.

The number of Households is directly from the Census Tract level data available from the 2011-2015 American Community Survey. The number of HTC units was taken from the Department's inventory of tax credit developments (as of November 9, 2017 TDHCA Board meeting, last worksheet in this spreadsheet). Applicants are encouraged to independently verify the information provided herein. Please contact jason.burr@tdhca.state.tx.us with any questions.

Census Tract	County	HTC Units/Total Households
48451000700	Tom Green	20.01%
48217961000	Hill	20.40%
48139060400	Ellis	21.37%
48201253200	Harris	21.77%
48215023700	Hidalgo	21.90%
48451001800	Tom Green	22.37%
48227950300	Howard	23.26%
48139060500	Ellis	23.30%
48469001601	Victoria	23.36%
48005000500	Angelina	24.08%
48167723700	Galveston	25.66%
48167722700	Galveston	26.57%
48339693800	Montgomery	26.64%
48099010504	Coryell	27.06%
48251130800	Johnson	27.33%
48027020900	Bell	27.56%
48439110704	Tarrant	30.29%
48049950600	Brown	30.40%
48037010500	Bowie	31.00%
48257050500	Kaufman	31.73%
48167724600	Galveston	33.16%
48491020114	Williamson	33.63%
48201321500	Harris	34.30%
48491020327	Williamson	34.70%
48339693400	Montgomery	35.79%
48201241500	Harris	37.35%
48167725800	Galveston	39.20%
48209010500	Hays	41.90%
48245007001	Jefferson	57.47%
48113016605	Dallas	62.57%

Census Tracts with 20% or more HTC Units per Household (§11.3(d) & §11.4(c)(1) of the 2018 Qualified Allocation Plan)

The following data provides information required to determine if a Development Site is located in Census Tract where the Housing Tax Credit (HTC) Units per household is greater than 20%. Only those tracts with 20% or greater are reflected below. The following list is **not** a list of QCTs. Where appropriate, Applicants must submit with the application a map showing a Development's location in a QCT.

As provided for in §§11.3(d) & 11.4(c)(1), a Governing Body Resolution may be necessary for a Development located in a Census Tract with 20% or greater HTC Units per household in order for the Application to be eligible for funding or receive the 30% basis boost. If the Census Tract in which a Development is located is listed below, Applicants are encouraged to review the rule to determine if a resolution is necessary.

The number of Households is directly from the Census Tract level data available from the 2011-2015 American Community Survey. The number of HTC units was taken from the Department's inventory of tax credit developments (as of November 9, 2017 TDHCA Board meeting, last worksheet in this spreadsheet). Applicants are encouraged to independently verify the information provided herein. Please contact jason.burr@tdhca.state.tx.us with any questions.

Census Tract	County	HTC Units/Total Households
48217960900	Hill	20.00%
48451000700	Tom Green	20.01%
48113009000	Dallas	20.06%
48061013401	Cameron	20.30%
48303000302	Lubbock	20.34%
48113007815	Dallas	20.65%
48439106004	Tarrant	20.79%
48113006900	Dallas	20.84%
48201551900	Harris	20.89%
48183001100	Gregg	20.90%
48113012000	Dallas	20.93%
48113006002	Dallas	21.04%
48453001839	Travis	21.05%
48439104505	Tarrant	21.20%
48231960900	Hunt	21.21%
48139060400	Ellis	21.37%
48201452600	Harris	21.50%
48201453602	Harris	21.52%
48375012000	Potter	21.53%
48201211400	Harris	21.58%
48303001200	Lubbock	21.72%
48439123100	Tarrant	21.77%
48201253200	Harris	21.77%
48029180400	Bexar	21.88%
48215023700	Hidalgo	21.90%
48029130600	Bexar	21.92%
48113008604	Dallas	21.94%
48245000900	Jefferson	21.95%
48201453300	Harris	21.95%
48339691302	Montgomery	21.97%
48439110402	Tarrant	22.13%
48201232402	Harris	22.14%
48439121702	Tarrant	22.17%
48029161503	Bexar	22.18%
48029180501	Bexar	22.30%
48201220500	Harris	22.31%

48355003305	Nueces	22.66%
48113001600	Dallas	22.89%
48135001800	Ector	22.94%
48113014601	Dallas	22.95%
48113020300	Dallas	22.99%
48029130800	Bexar	23.04%
48141010303	El Paso	23.10%
48227950300	Howard	23.26%
48139060500	Ellis	23.30%
48439103800	Tarrant	23.34%
48469001601	Victoria	23.36%
48453002318	Travis	23.41%
48453001813	Travis	23.53%
48113019212	Dallas	23.54%
48201551500	Harris	23.57%
48181001700	Grayson	23.66%
48453002419	Travis	23.70%
48029171401	Bexar	23.77%
48113002701	Dallas	23.90%
48201331602	Harris	23.94%
48113008701	Dallas	23.97%
48375013900	Potter	24.06%
48439100300	Tarrant	24.08%
48005000500	Angelina	24.08%
48201233001	Harris	24.10%
48113011401	Dallas	24.17%
48439111543	Tarrant	24.24%
48201421403	Harris	24.63%
48439102100	Tarrant	24.87%
48201533300	Harris	24.98%
48329001500	Midland	24.98%
48029170800	Bexar	25.00%
48201520400	Harris	25.00%
48201231200	Harris	25.05%
48113018802	Dallas	25.43%
48201550100	Harris	25.45%
48303000900	Lubbock	25.48%
48061014500	Cameron	25.61%
48167723700	Galveston	25.66%
48453001805	Travis	25.80%
48113006200	Dallas	26.16%
48339693800	Montgomery	26.64%
48201550800	Harris	26.77%
48201230100	Harris	26.80%
48099010504	Coryell	27.06%
48439105901	Tarrant	27.10%
48201323100	Harris	27.12%
48029151900	Bexar	27.23%
48251130800	Johnson	27.33%
48201220800	Harris	27.68%
48453002413	Travis	27.71%
48029141101	Bexar	28.02%
48029120100	Bexar	28.03%
48113009804	Dallas	28.26%
48439122801	Tarrant	28.37%
48201553002	Harris	28.57%
48141004105	El Paso	28.72%

48451001800	Tom Green	28.77%
48061013106	Cameron	28.78%
48355006300	Nueces	28.82%
48201222600	Harris	29.06%
48141003300	El Paso	29.33%
48441010200	Taylor	29.41%
48141003903	El Paso	29.46%
48113014132	Dallas	29.85%
48439105201	Tarrant	29.86%
48245000103	Jefferson	29.97%
48201532001	Harris	29.99%
48113002100	Dallas	30.16%
48049950600	Brown	30.40%
48113010000	Dallas	30.67%
48141003502	El Paso	30.68%
48113010904	Dallas	30.83%
48037010500	Bowie	31.00%
48257050500	Kaufman	31.73%
48355000700	Nueces	31.80%
48113016902	Dallas	32.03%
48201323500	Harris	32.20%
48201340100	Harris	32.38%
48201550301	Harris	32.92%
48029171922	Bexar	33.11%
48113019213	Dallas	33.14%
48167724600	Galveston	33.16%
48215023801	Hidalgo	33.36%
48113010701	Dallas	33.40%
48491020114	Williamson	33.63%
48201533902	Harris	33.77%
48439104604	Tarrant	34.11%
48485011600	Wichita	34.22%
48201321500	Harris	34.30%
48085030900	Collin	34.34%
48029121404	Bexar	34.38%
48113007809	Dallas	34.68%
48491020327	Williamson	34.70%
48113020500	Dallas	34.95%
48201530700	Harris	35.42%
48329001400	Midland	35.45%
48423000700	Smith	35.55%
48339693400	Montgomery	35.79%
48113012302	Dallas	36.09%
48479001806	Webb	36.35%
48029160100	Bexar	36.95%
48113010804	Dallas	37.21%
48201552601	Harris	37.32%
48201241500	Harris	37.35%
48029161000	Bexar	37.50%
48201313800	Harris	37.58%
48027020900	Bell	37.88%
48453002108	Travis	38.33%
48041001702	Brazos	38.39%
48167725800	Galveston	39.20%
48029110600	Bexar	39.20%
48439100501	Tarrant	40.11%
48439106102	Tarrant	40.36%

48113003901	Dallas	40.62%
48201331200	Harris	41.05%
48209010500	Hays	41.90%
48113009304	Dallas	42.78%
48201232500	Harris	43.16%
48453000306	Travis	43.60%
48201222700	Harris	44.12%
48245002200	Jefferson	44.75%
48439123600	Tarrant	45.80%
48141001700	El Paso	45.97%
48453002201	Travis	47.65%
48029152000	Bexar	48.58%
48141002000	El Paso	51.18%
48453002312	Travis	54.52%
48453002429	Travis	55.31%
48453002202	Travis	55.63%
48113011500	Dallas	55.87%
48029150800	Bexar	57.02%
48245007001	Jefferson	57.47%
48029130700	Bexar	60.00%
48113016605	Dallas	62.80%
48029171602	Bexar	64.28%
48201422200	Harris	66.93%
48121021201	Denton	67.13%
48113012208	Dallas	69.09%
48029161200	Bexar	70.33%
48201331400	Harris	81.60%
48439106600	Tarrant	90.18%
48201980100	Harris	112.50%
48439105006	Tarrant	113.92%

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TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

2e

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 22, 2018

Presentation, discussion, and possible action regarding an amendment to the Construction Loan Agreement for TX Majors Place Apartments, LP

RECOMMENDED ACTION

WHEREAS, the Department awarded HOME Multifamily Development funds under the 2013-1 Multifamily Development Program Notice of Funding Availability to TX Majors Place Apartments, LP ("the Development Owner") for the construction of Majors Place Apartments on June 26, 2014;

WHEREAS, the HOME loan closed on August 14, 2015, and a Construction Loan Agreement ("CLA"), which stipulated a completion date of not more than 18 months from the date of the agreement, was executed the same day;

WHEREAS, the Construction Loan Agreement has been amended once, extending the completion date by 12 months to 30 months – February 14, 2018 – from the date the CLA was executed;

WHEREAS, a G702-703 Pay Application indicating that construction is 100% complete is required in order to request a Final Construction Inspection from Department staff but many Development Owners typically wait until the property has received Certificates of Occupancy to ensure all local code requirements are met before requesting a Final Construction Inspection;

WHEREAS, the Development Owner experienced delays in receiving inspections and final Certificates of Occupancy from the City of Greenville which delayed the submission of the Final Construction Inspection Request to Department staff;

WHEREAS, a Closed Final Construction Inspection Letter – indicating all amenity and accessibility deficiencies identified during a final inspection have been cleared – issued by Inspection staff is a requirement for releasing final draw disbursements;

WHEREAS, Department staff anticipates conducting the Final Construction Inspection next month, which may result in a Closed Final Inspection Letter being issued later this year due to the time it takes to cure deficiencies that are typically identified upon Final Construction Inspection; and

WHEREAS, 10 TAC §13.12 requires Board approval for an extension beyond 12 months to the construction completion date as well as documentation that the extension is necessary to complete construction and that there is good cause for the extension;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director or his designee be and each of them hereby are authorized, empowered, and directed, for and on behalf of this Board to extend the completion date in the CLA up to 38 months – October 14, 2018 – from the date of the agreement.

BACKGROUND

The HOME loan for TX Majors Place Apartments, LP closed on August 14, 2015. Construction commenced soon thereafter. The completion date in the Construction Loan Agreement ("CLA") was originally February 14, 2017, (18 months from loan closing). The First Amendment to the CLA changed the completion date to February 14, 2018 (30 months from loan closing). This proposed Second Amendment would extend the completion date to October 14, 2018, (38 months from loan closing) and would allow the borrower to request the remaining HOME funds in the Housing Contract System provided a Closed Final Construction Inspection Letter is issued prior to that date. 10 TAC §13.13(b) requires documentation to be submitted by the Development Owner to substantiate necessary and good cause for extensions such as the one being requested. Documentation substantiating necessary and good cause for the extension is included behind this Board Action Request. Simply, the fact that there was a delay in a necessary action required by the City of Greenville ("the city") which was outside the control of the Development Owner that caused the need for the extension without any determination of the motivations of the parties is all that is required to substantiate good cause.

Construction was substantially complete by October 2017, but a Final Inspection request was not submitted to TDHCA inspection staff until earlier this month as the Development Owner was waiting for Certificates of Occupancy from the city. It is anticipated that the development will receive a final inspection in March, with a final inspection letter likely issued in April. The letter will likely identify several deficiencies as many Final Construction Inspection Letters do. Corrective action documentation will likely be submitted by the Development Owner within 60-90 days from the date the Final Construction Inspection Letter is issued, depending on the severity of the deficiencies.

10 TAC §13.11(q)(10) requires that ten percent of disbursement requests for hard costs for Direct Loan-funded developments be withheld until – for developments where Direct Loan funds are the only source of Department funds – the development receives a Closed Final Construction Inspection Letter. Majors Place Apartments is a development where the Department's HOME funds were the only source of Department funds. $191,025 in retainage remains available to be drawn under the HOME loan documents. This action will allow those funds to be drawn after the Closed Final Construction Inspection Letter is issued and all documentation necessary to close out the HOME contract in HUD's reporting system has been submitted.

TX MAJORS PLACE APARTMENTS, L.P.
ATTN: Kent Conine
16812 Dallas Parkway
Dallas, TX 75248
972-701-5558 or 972-979-6996

Mr. Andrew Sinnott
TDHCA HOME
1201 11th Street
Austin, TX 77011

February 14, 2018

RE: Good cause extension on the HOME contract for TX Majors Place Apartments, LP, 2410 Jack Finney, Greenville, Hunt County, TX

Dear Andrew:

Connie Residential and RISE have worked together over the last several years to bring affordable housing to areas that further the housing mission. Greenville as the Board and Staff will note from the record, got a lot of opposition to this development because of the HOME affordability units that make up 20% of the living units at or below 50% of AMFI. The City manager came on his own initiative to the TDHCA board meeting in opposition to the development even when the Mayor had agreed to withdraw his letter of opposition in his meeting with Mr. Conine.

That was the beginning of an ongoing effort by the City Manager to create challenges in the implementation of the development and construction plans. This included permitting delays and added development obligations to the property. When the first buildings were ready for certificates of occupancy, with residents ready to occupy finished buildings. City Staff, at his direction, took the position they would not give any CO's to any building until the property was 100% complete. This undermines the financing plan put in place by adding additional interest, taxes, and insurance costs without corresponding lease up revenue. Clearly intended to hurt the development and delay the occupancy of the property.

Mr. Conine was forced to meet with the Mayor and council members to get them to intervene and over turn this directive from the long time City Manager. This caused delays in the completion of the property pursuant to the HOME contract. Once the final building was ready for occupancy, he instructed staff to hold that permit until the property was deemed 100% complete. This meant hydro-mulching the dog park in the middle of winter. Installing landscaping at an inappropriate time of the year. These delays, outside the control of the sponsor, cost the development 2-4 months TDHCA staff now needs to complete the final inspection and close out process on the final HOME draw. The HOME agreement requires the property to have all units placed in service before submitting for the final inspection. The sponsor was only able to do so this month.

Please remember the remaining HOME funds, $167,000, are from draws previously approved for payment by the department and represent trust funds under the property code from the Owner to the Contractors.

We represent the property has all the CO's and is +-80% occupied. The HOME units are all leased. The good cause basis of the extension request is to allow the sponsor and the department to close out the HOME funding in accordance with the rules. The negative impact of the actions by the City Manager to interfere with the delivery of safe, descent, and affordable housing caused sufficient delays in the close out of the HOME contract. This now requires the short extension requested by the Sponsors simply to comply with the Rules and the HOME contract.

Your consideration of the request for this extension is appreciated.

Sincerely,

James R. (Bill) Fisher
For
TX Majors Place Apartments, LP

CC: Melissa Fisher
Kent Conine

AIA FORM G702
CONTRACTOR'S APPLICATION AND CERTIFICATE FOR PAYMENT

Contractor: Rise Residential Construction V, LLC
16812 Dallas Parkway
Dallas, TX 75248

PROJECT: Majors Place Apartments
Greenville, Texas

VIA ARCHITECT: K+ Architect
400 E. 3rd street
Los Fresnos, Texas

APPLICATION NUMBER: 24
APPLICATION DATE: 10/31/17
PERIOD FROM: 10/10/17
PERIOD TO: 10/31/17

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner TOTAL		$0.00	$0.00
Approved This Month			
Number	Date Approved		
	TOTALS	$0.00	$0.00
Net change by Change Orders		$0.00	

1. **ORIGINAL CONTRACT SUM**	$	16,275,000.00
2. **Net change by Change Orders**	$	-
3. **CONTRACT SUM TO DATE**	$	16,275,000.00
4. **TOTAL COMPLETED & STORED TO DATE**	$	16,275,000.00
5. **RETAINAGE:** (Column L on G703)	$	542,473.79
6. **TOTAL EARNED LESS RETAINAGE** (LINE 4 LESS LINE 5 TOTAL)	$	15,732,526.21
7. **LESS PREVIOUS CERTIFICATES FOR PAYMENT** (Line 6 from prior Certificate)	$	15,186,753.55
8. **CURRENT PAYMENT DUE**	$	545,772.66
9. **BALANCE TO FINISH, PLUS RETAINAGE** (Line 3 less Line 6)	$	542,473.79

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 recieved from the Owner, and that current payment shown herein is now due.

Contractor
Rise Residential Construction V, LLC

By: [signature] Date: 11/1/2017

State of: Texas County of: Dallas

Subscribed and sworn to before me this 1 day of Nov, 2017
Notary Public: Wendy Buchbinder

My Commission expires: 7/12/20

WENDY BUCHBINDER
Notary Public, State of Texas
Comm. Expires 07-12-2020
Notary ID 84027
NOTARY PUBLIC STATE OF TEXAS

ARCHITECTS CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based upon on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architects 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.. $ 545,772.66
ARCHITECT: K+ Architect

By:__________ Date:__________
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.

AIA FORM G703

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Dallas, TX 75248

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Greenville, Texas

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A		B	C	D	E	F	G		H	I
LINE ITEM No.	COST CODE NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C-G)	RETAINAGE
		DIVISION 1 - GENERAL CONDITIONS								
1	02-01-1101	Project Manager	$65,000.00	$63,700.00	$1,300.00		$65,000.00	100.0%	$0.00	
2	02-01-1102	Superintendent	$120,798.00	$118,382.04	$2,415.96		$120,798.00	100.0%	$0.00	
3	02-01-1102	Assistant Superintendents	$65,537.00	$64,226.26	$1,310.74		$65,537.00	100.0%	$0.00	
4	02-01-1336	Project Engineer	$75,000.00	$73,500.00	$1,500.00		$75,000.00	100.0%	$0.00	
5	02-01-1106	Steno Clerk	$21,308.00	$20,881.84	$426.16		$21,308.00	100.0%	$0.00	
6	02-01-1235	Per Diem	$28,800.00	$28,224.00	$576.00		$28,800.00	100.0%	$0.00	
7	02-01-1235	Meals & Entertainment	$4,200.00	$4,116.00	$84.00		$4,200.00	100.0%	$0.00	
8	02-01-1235	Travel Expenses	$7,500.00	$7,350.00	$150.00		$7,500.00	100.0%	$0.00	
9	02-01-1235	Mileage Reimbursement	$3,200.00	$3,136.00	$64.00		$3,200.00	100.0%	$0.00	
10	02-01-1215	Pickup Rental	$35,000.00	$34,300.00	$700.00		$35,000.00	100.0%	$0.00	
11	02-01-1240	Progress Photos	$2,800.00	$2,744.00	$56.00		$2,800.00	100.0%	$0.00	
12	02-01-1237	Blueprints	$5,000.00	$4,900.00	$100.00		$5,000.00	100.0%	$0.00	
13	02-01-1355	Builder Risk/General Liability	$130,000.00	$127,400.00	$2,600.00		$130,000.00	100.0%	$0.00	
14	02-01-1400	Quality Control	$10,000.00	$9,800.00	$200.00		$10,000.00	100.0%	$0.00	
15	02-01-1235	City Revision Contingency	$2,500.00	$2,450.00	$50.00		$2,500.00	100.0%	$0.00	
16	02-01-1208	Temporary Electric	$45,000.00	$44,100.00	$900.00		$45,000.00	100.0%	$0.00	
17	02-01-1210	Temporary Water	$5,000.00	$4,900.00	$100.00		$5,000.00	100.0%	$0.00	
18	02-01-1221	Telephone	$5,600.00	$5,488.00	$112.00		$5,600.00	100.0%	$0.00	
19	02-01-1208	Temporary Heat	$1,500.00	$1,470.00	$30.00		$1,500.00	100.0%	$0.00	
20	02-01-1221	High Speed Internet	$1,600.00	$1,568.00	$32.00		$1,600.00	100.0%	$0.00	
21	02-01-1305	Field Trailer	$6,500.00	$6,370.00	$130.00		$6,500.00	100.0%	$0.00	
22	02-01-1305	Office Set Up & Take Down	$1,000.00	$980.00	$20.00		$1,000.00	100.0%	$0.00	
23	02-01-1210	Ice, Water & Cups	$2,000.00	$1,960.00	$40.00		$2,000.00	100.0%	$0.00	
24	02-01-1255	Office Supplies	$3,400.00	$3,332.00	$68.00		$3,400.00	100.0%	$0.00	
25	02-01-1215	Storage Trailer	$1,200.00	$1,176.00	$24.00		$1,200.00	100.0%	$0.00	
26	02-01-1306	Temporary Toilets	$4,000.00	$3,920.00	$80.00		$4,000.00	100.0%	$0.00	
27	02-01-1254	Postage & Courier	$2,680.00	$2,626.40	$53.60		$2,680.00	100.0%	$0.00	
28	02-01-1310	Security Systems	$1,500.00	$1,470.00	$30.00		$1,500.00	100.0%	$0.00	
29	02-01-1256	Copier Rental	$1,000.00	$980.00	$20.00		$1,000.00	100.0%	$0.00	
30	02-01-1256	Office Equipment	$3,000.00	$2,940.00	$60.00		$3,000.00	100.0%	$0.00	
31	02-01-1310	Site Security Camera	$1,000.00	$980.00	$20.00		$1,000.00	100.0%	$0.00	
32	02-01-1313	Temporary Fence	$18,000.00	$17,640.00	$360.00		$18,000.00	100.0%	$0.00	
33	02-01-1328	Temporary Signs	$1,000.00	$980.00	$20.00		$1,000.00	100.0%	$0.00	
34	02-01-1400	Safety Signs	$1,000.00	$980.00	$20.00		$1,000.00	100.0%	$0.00	
35	02-01-1328	Project Identification Signs	$1,000.00	$980.00	$20.00		$1,000.00	100.0%	$0.00	
36	02-01-1103	General Labor	$5,000.00	$4,900.00	$100.00		$5,000.00	100.0%	$0.00	
37	02-01-1218	Small Tools	$2,500.00	$2,450.00	$50.00		$2,500.00	100.0%	$0.00	
38	02-01-1215	Equipment Rental	$5,000.00	$4,900.00	$100.00		$5,000.00	100.0%	$0.00	
39	02-01-1213	Trash Dumpster	$179,840.00	$176,243.20	$3,596.80		$179,840.00	100.0%	$0.00	
40	02-01-1213	Street Cleaning	$5,000.00	$4,900.00	$100.00		$5,000.00	100.0%	$0.00	
41	02-01-1336	Construction Stakeout (Field Engineering)	$500.00	$490.00	$10.00		$500.00	100.0%	$0.00	
		Subtotal	**$881,463.00**	**$863,833.74**	**$17,629.26**	**$0.00**	**$881,463.00**	**100.0%**	**$0.00**	**$0.00**
		DIVISION 2 - SITE CONSTRUCTION								
42	02-01-1338	Layout/Survey	$35,000.00	$35,000.00	$0.00		$35,000.00	100.0%	$0.00	$1,750.00
43	02-02-2100	Site Demolition	$5,000.00	$5,000.00	$0.00		$5,000.00	100.0%	$0.00	$250.00
44	02-02-2300	Site Clearing	$75,000.00	$75,000.00	$0.00		$75,000.00	100.0%	$0.00	$3,750.00
45	02-02-2300	Clear & Grade	$350,000.00	$350,000.00	$0.00		$350,000.00	100.0%	$0.00	$17,500.00
46	02-10-1065	Termite Treatment	$10,900.00	$10,900.00	$0.00		$10,900.00	100.0%	$0.00	$545.00

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47	02-02-2018	Sediment & Erosion Control	$8,864.00	$8,864.00	$0.00		$8,864.00	100.0%	$0.00	$443.20
48	02-02-2701	Private Water	$120,000.00	$120,000.00	$0.00		$120,000.00	100.0%	$0.00	$6,000.00
49	02-02-2702	Water - Off Site	$139,000.00	$139,000.00	$0.00		$139,000.00	100.0%	$0.00	$6,950.00
50	02-02-2712	Sanitary Sewer - On Site	$210,000.00	$210,000.00	$0.00		$210,000.00	100.0%	$0.00	$10,500.00
51	02-02-2650	Concrete Paving (curb and gutter incl)	$753,700.00	$753,700.00	$0.00		$753,700.00	100.0%	$0.00	$37,685.00
52	02-02-2650	Compactor Pad	$10,000.00	$10,000.00	$0.00		$10,000.00	100.0%	$0.00	$500.00
53	02-02-2660	Striping	$12,500.00	$3,750.00	$8,750.00		$12,500.00	100.0%	$0.00	$625.00
54	02-10-1031	H.C. Signs	$1,500.00	$1,500.00	$0.00		$1,500.00	100.0%	$0.00	$75.00
55	02-05-5701	Bollard Ftg/Fill	$1,500.00	$1,500.00	$0.00		$1,500.00	100.0%	$0.00	$75.00
56	02-02-2650	Light Pole Bases	$10,000.00	$10,000.00	$0.00		$10,000.00	100.0%	$0.00	$500.00
57	02-10-1033	Entry Feature	$10,000.00	$10,000.00	$0.00		$10,000.00	100.0%	$0.00	$500.00
58	02-11-1195	Trash Enclosure	$30,000.00	$28,500.00	$1,500.00		$30,000.00	100.0%	$0.00	$1,500.00
59	02-05-5701	Decorative Fence	$100,504.00	$95,478.80	$5,025.20		$100,504.00	100.0%	$0.00	$5,025.20
60	02-05-5702	5' Pool Fence	$13,000.00	$13,000.00	$0.00		$13,000.00	100.0%	$0.00	$650.00
61	02-05-5701	Chain Link Fence 6' & 10'	$5,180.00	$5,180.00	$0.00		$5,180.00	100.0%	$0.00	$259.00
62	02-05-5701	Auto Gate Access Control	$17,500.00	$17,500.00	$0.00		$17,500.00	100.0%	$0.00	$875.00
63	02-05-5701	Auto Gates	$3,645.00	$3,645.00	$0.00		$3,645.00	100.0%	$0.00	$182.25
64	02-13-1379	Carports	$115,500.00	$115,500.00	$0.00		$115,500.00	100.0%	$0.00	$5,775.00
65	02-11-1151	Benches	$2,500.00	$2,500.00	$0.00		$2,500.00	100.0%	$0.00	$125.00
66	02-11-1151	Gas Grill	$1,200.00	$1,200.00	$0.00		$1,200.00	100.0%	$0.00	$60.00
67	02-11-1195	Trash Receptacles	$5,000.00	$5,000.00	$0.00		$5,000.00	100.0%	$0.00	$250.00
68	02-11-1151	Picnic Tables	$2,000.00	$2,000.00	$0.00		$2,000.00	100.0%	$0.00	$100.00
69	02-13-1394	Basketball Court (paint/markings)	$3,000.00	$3,000.00	$0.00		$3,000.00	100.0%	$0.00	$150.00
70	02-02-2800	Landscape	$175,000.00	$158,631.50	$16,368.50		$175,000.00	100.0%	$0.00	$8,750.00
		Subtotal	**$2,226,993.00**	**$2,195,349.30**	**$31,643.70**	**$0.00**	**$2,226,993.00**	**100.0%**	**$0.00**	**$111,349.65**
		DIVISION 3 - CONCRETE								
71	02-03-3000	Structural Concrete	$928,113.00	$928,113.00	$0.00		$928,113.00	100.0%	$0.00	$46,405.65
72	02-03-3077	Concrete Topping	$266,985.00	$266,985.00	$0.00		$266,985.00	100.0%	$0.00	$13,349.25
73	02-02-2650	Sidewalks	$173,200.00	$173,200.00	$0.00		$173,200.00	100.0%	$0.00	$8,660.00
74	02-03-3077	Cementitous Underlayment	$215,100.00	$215,100.00	$0.00		$215,100.00	100.0%	$0.00	$10,755.00
		Subtotal	**$1,583,398.00**	**$1,583,398.00**	**$0.00**	**$0.00**	**$1,583,398.00**	**100.0%**	**$0.00**	**$79,169.90**
		DIVISION 4 - MASONRY								
75	02-04-4110	Stucco	$7,500.00	$7,500.00	$0.00		$7,500.00	100.0%	$0.00	$375.00
76	02-04-4101	CMU	$6,480.00	$6,480.00	$0.00		$6,480.00	100.0%	$0.00	$324.00
77	02-04-4101	Brick Veneer	$400,000.00	$400,000.00	$0.00		$400,000.00	100.0%	$0.00	$20,000.00
		Subtotal	**$413,980.00**	**$413,980.00**	**$0.00**	**$0.00**	**$413,980.00**	**100.0%**	**$0.00**	**$20,699.00**
		DIVISION 5 - METALS								
78	02-05-5500	Misc Iron (CH Columns)	$2,300.00	$2,300.00	$0.00		$2,300.00	100.0%	$0.00	$115.00
79	02-05-5600	Stairs and Rails	$215,000.00	$215,000.00	$0.00		$215,000.00	100.0%	$0.00	$10,750.00
80	02-05-5600	Ornamental Handrails & Rails	$75,000.00	$75,000.00	$0.00		$75,000.00	100.0%	$0.00	$3,750.00
		Subtotal	**$292,300.00**	**$292,300.00**	**$0.00**	**$0.00**	**$292,300.00**	**100.0%**	**$0.00**	**$14,615.00**
		DIVISION 6 - WOOD & PLASTICS								
81	02-06-6101	Rough Carpentry Material	$2,999,800.00	$2,999,800.00	$0.00		$2,999,800.00	100.0%	$0.00	$10,519.84

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82	02-08-8910	Millwork (Shelving, postal, partitions, doors etc.)	$470,000.00	$454,121.19	$15,878.81		$470,000.00	100.0%	$0.00	$0.00
83	02-10-1070	Punch Carpentry	$5,000.00	$5,000.00	$0.00		$5,000.00	100.0%	$0.00	$250.00
84	02-12-1200	Residential Cabinetry	$376,550.00	$291,035.27	$85,514.73		$376,550.00	100.0%	$0.00	$18,827.50
		Subtotal	**$3,851,350.00**	**$3,749,956.46**	**$101,393.54**	**$0.00**	**$3,851,350.00**	**100.0%**	**$0.00**	**$29,597.34**
		DIVISION 7 - THERMAL & MOISTURE								
85	02-07-7210	Insulation	$154,000.00	$154,000.00	$0.00		$154,000.00	100.0%	$0.00	$7,700.00
86	02-07-7500	Shingles	$225,950.00	$225,950.00	$0.00		$225,950.00	100.0%	$0.00	$11,297.50
87	02-07-7503	Gutters and Downspouts	$27,000.00	$27,000.00	$0.00		$27,000.00	100.0%	$0.00	$1,350.00
		Subtotal	**$406,950.00**	**$406,950.00**	**$0.00**	**$0.00**	**$406,950.00**	**100.0%**	**$0.00**	**$20,347.50**
		DIVISION 8 - DOORS & WINDOWS								
88	02-08-8111	Access Panels	$12,500.00	$12,500.00	$0.00		$12,500.00	100.0%	$0.00	$625.00
89	02-08-8113	Overhead Doors	$26,433.00	$26,433.00	$0.00		$26,433.00	100.0%	$0.00	$1,321.65
90	02-08-8505	Windows	$225,000.00	$225,000.00	$0.00		$225,000.00	100.0%	$0.00	$11,250.00
91	02-08-8700	Reglaze	$2,500.00	$1,250.00	$1,250.00		$2,500.00	100.0%	$0.00	$125.00
92	02-08-8700	Mirrors	$30,000.00	$18,560.28	$11,439.72		$30,000.00	100.0%	$0.00	$1,500.00
		Subtotal	**$296,433.00**	**$283,743.28**	**$12,689.72**	**$0.00**	**$296,433.00**	**100.0%**	**$0.00**	**$14,821.65**
		DIVISION 9 - FINISHES								
93	02-09-9100	Gypsum Board Assemblies	$892,000.00	$874,160.00	$17,840.00		$892,000.00	100.0%	$0.00	$44,600.00
94	02-09-9300	Ceramic Tile	$87,010.00	$69,608.00	$17,402.00		$87,010.00	100.0%	$0.00	$4,350.50
95	02-09-9650	Specialty Flooring (vinyl plank)	$101,273.00	$81,018.40	$20,254.60		$101,273.00	100.0%	$0.00	$5,063.65
96	02-09-9650	Resilient Flooring (vct club)	$2,200.00	$2,200.00	$0.00		$2,200.00	100.0%	$0.00	$110.00
97	02-09-9680	Carpet	$183,069.00	$147,523.39	$35,545.61		$183,069.00	100.0%	$0.00	$9,153.45
98	02-09-9700	Paints	$285,000.00	$253,333.33	$31,666.67		$285,000.00	100.0%	$0.00	$14,250.00
99	02-10-1050	Cleaning	$47,100.00	$47,100.00	$0.00		$47,100.00	100.0%	$0.00	$2,355.00
		Subtotal	**$1,597,652.00**	**$1,474,943.12**	**$122,708.88**	**$0.00**	**$1,597,652.00**	**100.0%**	**$0.00**	**$79,882.60**
		DIVISION 10 - SPECIALTIES								
100	02-10-1031	Signage	$10,000.00	$10,000.00	$0.00		$10,000.00	100.0%	$0.00	$500.00
101	02-13-1379	Carports	$159,300.00	$119,475.00	$39,825.00		$159,300.00	100.0%	$0.00	$7,965.00
		Subtotal	**$169,300.00**	**$129,475.00**	**$39,825.00**	**$0.00**	**$169,300.00**	**100.0%**	**$0.00**	**$8,465.00**
		DIVISION 11 - EQUIPMENT								
102	02-11-1145	Kitchen Appliances	$339,375.00	$215,780.51	$123,594.49		$339,375.00	100.0%	$0.00	$16,968.75
103	02-13-1394	Sports Equipment (playground, basket ball goals)	$42,648.00	$42,648.00	$0.00		$42,648.00	100.0%	$0.00	$2,132.40
		Subtotal	**$382,023.00**	**$258,428.51**	**$123,594.49**	**$0.00**	**$382,023.00**	**100.0%**	**$0.00**	**$19,101.15**
		DIVISION 12 - FURNISHINGS								
104	02-08-8619	Window Treatment	$43,000.00	$39,010.00	$3,990.00		$43,000.00	100.0%	$0.00	
		Subtotal	**$43,000.00**	**$39,010.00**	**$3,990.00**	**$0.00**	**$43,000.00**	**100.0%**	**$0.00**	**$0.00**
		DIVISION 13 - SPECIAL CONSTRUCTION								

AIA FORM G703

Contractor: Rise Residential Construction V, LLC
16812 Dallas Parkway
Dallas, TX 75248

PROJECT: Majors Place Apartments
Greenville, Texas

APPLICATION NUMBER: 24
APPLICATION DATE: 10/31/17
PERIOD FROM: 10/10/17
PERIOD TO: 10/31/17

A		B	C	D	E	F	G		H	I
LINE ITEM No.	COST CODE NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED FROM PREVIOUS APPLICATION (D + E)	WORK COMPLETED THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G / C)	BALANCE TO FINISH (C-G)	RETAINAGE
105	02-13-1350	Swimming Pools	$125,000.00	$125,000.00	$0.00		$125,000.00	100.0%	$0.00	$6,250.00
106	02-16-1660	Fire Alarm & Detection	$68,000.00	$63,594.89	$4,405.11		$68,000.00	100.0%	$0.00	$3,400.00
		Subtotal	**$193,000.00**	**$188,594.89**	**$4,405.11**	**$0.00**	**$193,000.00**	**100.0%**	**$0.00**	**$9,650.00**
		DIVISION 14 - CONVEYING SYSTEMS								
		Subtotal	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**0.0%**	**$0.00**	**$0.00**
		DIVISION 15 - MECHANICAL								
107	02-15-1550	Fire Protection	$200,900.00	$195,957.81	$4,942.19		$200,900.00	100.0%	$0.00	$10,045.00
108	02-15-1500	Plumbing	$980,000.00	$954,903.18	$25,096.82		$980,000.00	100.0%	$0.00	$49,000.00
109	02-15-1500	Water Sub Metering	$17,600.00	$17,600.00	$0.00		$17,600.00	100.0%	$0.00	$880.00
110	02-15-1540	HVAC	$661,000.00	$621,241.33	$39,758.67		$661,000.00	100.0%	$0.00	$33,050.00
		Subtotal	**$1,859,500.00**	**$1,789,702.32**	**$69,797.68**	**$0.00**	**$1,859,500.00**	**100.0%**	**$0.00**	**$92,975.00**
		DIVISION 16 - ELECTRICAL								
111	02-16-1600	Electrical	$733,200.00	$710,567.28	$22,632.72		$733,200.00	100.0%	$0.00	$36,660.00
112	02-16-1600	Temporary Electric	$52,800.00	$52,800.00	$0.00		$52,800.00	100.0%	$0.00	$2,640.00
113	02-16-1600	Lighting Fixtures	$176,000.00	$176,000.00	$0.00		$176,000.00	100.0%	$0.00	
114	02-16-1600	Site Lighting	$10,500.00	$10,500.00	$0.00		$10,500.00	100.0%	$0.00	
115	02-16-1600	Primary / Secondary Conduit	$50,000.00	$50,000.00	$0.00		$50,000.00	100.0%	$0.00	$2,500.00
		Subtotal	**$1,022,500.00**	**$999,867.28**	**$22,632.72**	**$0.00**	**$1,022,500.00**	**100.0%**	**$0.00**	**$41,800.00**
116	02-18-1801	Overhead	$263,789.00	$258,513.22	$5,275.78		$263,789.00	100.0%	$0.00	
117	02-18-1800	Profit	$791,369.00	$775,541.62	$15,827.38		$791,369.00	100.0%	$0.00	
		Subtotal	**$1,055,158.00**	**$1,034,054.84**	**$21,103.16**	**$0.00**	**$1,055,158.00**	**100.0%**	**$0.00**	**$0.00**
									$0.00	
		Total	**$16,275,000.00**	**$15,703,586.74**	**$571,413.26**	**$0.00**	**$16,275,000.00**	**100.0%**	**$0.00**	**$542,473.79**