

BOARD BOOK OF FEBRUARY 28, 2017



J. Paul Ozer, Chair
Juan Muñoz, Vice-Chair
Leslie Bingham Escareño, Member
T. Tolbert Chisum, Member
Tom H. Gann, Member
J. B. Goodwin, Member

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

**A G E N D A
9:00 AM
February 28, 2017**

**Dewitt C. Greer State Highway Building
Ric Williamson Hearing Room
125 E 11th Street
Austin, Texas**

CALL TO ORDER

ROLL CALL

Juan Muñoz, Vice Chair

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:

LEGAL

- a) Presentation, Discussion, and Possible Action regarding the adoption of Agreed Final Order concerning Mission Pointe Club f/k/a Country Villa (HTC 91040 / CMTS 958)
- b) Presentation, Discussion, and Possible Action regarding the adoption of Agreed Final Order concerning Amistad Farm Labor Housing Phase II (HTF 98141 / CMTS 2627)
- c) Presentation, Discussion, and Possible Action on Report to Board regarding the initiation of a new administrative penalty contested case hearing concerning Southmore Park Apartments (HTC 94004 / CMTS 1204) and the adoption of an Agreed Final Order

Jeff Pender
Deputy General Counsel

ASSET MANAGEMENT

- d) Presentation, Discussion and Possible Action regarding Material Amendment to the Housing Tax Credit Land Use Restriction Agreement
 - 94193 Sterling Green Village
 - 98135 Rio Grande Ranch
 - 99002 Tidwell Estates

Raquel Morales
Director

Channelview
Laredo
Houston

MULTIFAMILY FINANCE

- e) Presentation, Discussion, and Possible Action on a waiver relating to 10 TAC §10.101(b)(2) of the Uniform Multifamily Rules concerning Development Size Limitations
- f) Presentation, Discussion, and Possible Action on the Issuance of Determination Notices for Housing Tax Credits with another Issuer
 - 16445 Campus Apartments
 - 16455 Chelsea Apartments
 - 16407 Fenix Estates

Marni Holloway
Director

Fort Worth
El Paso
Houston

- g) Presentation, Discussion, and Possible Action regarding an exemption regarding Undesirable Site Feature under 10 TAC §10.101(a)(2) for 2017 Housing Tax Credit (“HTC”) Application #17122 Belfort Park Apartments

COMMUNITY AFFAIRS

- h) Presentation, Discussion, and Possible Action on the Reprogramming of Program Year (“PY”) 2016 Community Services Block Grant (“CSBG”) Discretionary and Administrative Funds
- i) Presentation, Discussion, and Possible Action on the selection of a Subrecipient to administer the Low Income Home Energy Assistance Program (“LIHEAP”) Comprehensive Energy Assistance Program (“CEAP”) to provide services in Dimmit, La Salle, and Maverick counties
- j) Presentation, Discussion, and Possible Action Regarding Authorization to Release a Notice of Funding Availability (“NOFA”) for Program Year 2017 Community Services Block Grant Discretionary (“CSBG-D”) Funds for Native American and Migrant Seasonal Farm Worker Populations
- k) Presentation, Discussion, and Possible Action on Approval of the Draft Federal Fiscal Year (“FFY”) 2017 Department of Energy (“DOE”) Weatherization Assistance Program (“WAP”) State Plan for Public Comment
- l) Presentation, Discussion, and Possible Action on Awards for 2017 Community Services Block Grant Discretionary (“CSBG-D”) Direct Client Assistance Funds

Michael DeYoung
Director

HOME AND HOMELESS PROGRAMS

- m) Presentation, Discussion, and Possible Action on State Fiscal Year 2016 Homeless Housing and Services Program Award for the City of Houston

Jennifer Molinari
Director

RULES

- n) Presentation, Discussion, and Possible Action on adoption of the 2017 State of Texas Low Income Housing Plan and Annual Report, and an order adopting amendments to 10 TAC Chapter 1, Subchapter A, General Policies and Procedures §1.23 concerning State of Texas Low Income Housing Plan and Annual Report, and directing their publication in the *Texas Register*

Elizabeth Yevich
Director, Housing
Resource Center

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

- a) TDHCA Outreach Activities, February 2017
- b) Report on the Department’s 1st Quarter Investment Report in accordance with the Public Funds Investment Act (“PFIA”)
- c) Report on an “unaudited subsequent event” related to the Basic Financial Statements and Revenue Bond Program for the Year Ended August 31, 2016
- d) Report on the Department’s 1st Quarter Investment Report relating to funds held under Bond Trust Indentures
- e) Acceptance and approval of submission of a report prepared by the Department’s Financial Advisor, George K. Baum & Company, to be submitted to the Texas Bond Review Board in accordance with Tex. Gov’t Code §2306.142

Michael Lyttle
Chief, External Affairs
David Cervantes
Chief Financial Officer

Monica Galuski
Director, Bond Finance

Monica Galuski
Director, Bond Finance

ACTION ITEMS

ITEM 3: BOARD

Presentation, Discussion, and Possible Action on the election of Governing Board Officers for the upcoming biennium pursuant to Tex. Gov’t Code §2306.030

Juan Muñoz
Vice Chair

ITEM 4: REPORTS

- a) Report on 2018 Qualified Allocation Plan (“QAP”) Project
- b) Report on Syndication Price Issues

Marni Holloway
Director, Multifamily
Finance
Timothy K. Irvine
Executive Director

ITEM 5: ASSET MANAGEMENT

- a) Presentation, Discussion and Possible Action regarding Amendments to HOME Direct Loan Terms

1002029 Pine Lake Estates	Nacogdoches
1002048 Sunrise Townhomes	Fredericksburg
- b) Presentation, Discussion and Possible Action on a Waiver of 10 TAC §10.101(b)(4)(E) and (F) and approval of Land Use Restriction Agreement (“LURA”) Amendments

14409 Lakes of El Dorado	McKinney
14410 Fountains of Rosemeade	Carrollton
14411 Ash Park Apartments	Eules

Raquel Morales
Director

ITEM 6: MULTIFAMILY FINANCE

- a) Presentation, Discussion, and Possible Action regarding a request for waiver of rules for Merritt Hill Country, HOME Contract #1002298/ HTC #15273
- b) Presentation, Discussion and Possible Action on revisions to the 2016 State of Texas National Housing Trust Fund Allocation Plan and directing that it be published in the *Texas Register*

Marni Holloway
Director

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

EXECUTIVE SESSION

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

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.

Juan Muñoz
Vice Chair

OPEN SESSION

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

ADJOURN

To access this agenda and details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Michael Lyttle, 512-475-4542, TDHCA, 221 East 11th Street, Austin, Texas 78701, and request the information.

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

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

Non-English speaking individuals who require interpreters for this meeting should contact Annette Cornier, 512-475-3803, 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 Annette Cornier al siguiente número 512-475-3803 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

CONSENT AGENDA

1a

BOARD ACTION REQUEST

LEGAL DIVISION

FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Mission Pointe Club f/k/a Country Villa (HTC 91040 / CMTS 958)

RECOMMENDED ACTION

WHEREAS, Mission Pointe Club, owned by related organizations ACA Mission, LLC and PA Mission Pointe, LLC (collectively the "Owner"), has uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, on January 31, 2017, Owner representatives participated in an informal conference with the Enforcement Committee and agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of \$1,250, with \$500 to be paid within 30 days of signature and the remaining \$750 to be forgiven if all violations are resolved as specified in the Agreed Final Order on or before May 29, 2017;

WHEREAS, unresolved compliance findings include (1) a pre-onsite violation for failure to submit unit status reports, delinquent quarterly vacancy reports, tenant rights and resources guide, and documentation supporting application fees and charges, and (2) a violation for failure to reply to Department requests for a monitoring review, including a review of the affirmative marketing plan, written tenant selection criteria, utility allowance for the past two years, and tenant files for units 159, 163, 224, 363, 419, 435, and 426; 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 \$1,250, subject to partial forgiveness as outlined above for noncompliance at Mission Pointe Club, 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

ACA Mission, LLC and PA Mission Pointe, LLC (collectively, "Owner") are the owners of Mission Pointe Club f/k/a Country Villa ("Property"), a low income apartment complex composed of 260 units, located in Tarrant County. Records of the Texas Secretary of State list the following members and/or officers for both organizations: Asa Cascavilla and Philip Cascavilla. CMTS lists Yadira Cruz as the primary contact(s) for Owner. The property is self managed. Regional supervisory staff for Owner include Blair Wells and Beyanca Martinez.

The Property is subject to a Land Use Restriction Agreement ("LURA") signed by a prior owner in 1993 in consideration for a housing tax credit allocation in the annual amount of \$315,350 to acquire, rehabilitate and operate the Property. PA Mission Pointe, LLC acquired the property in 2009, and transferred 50% of the property to a related entity, ACA Mission, LLC in 2010. Neither transfer received prior Department approval and transfer documentation to receive current permission as appropriate is currently pending, but the LURA remains in effect per Section 2 of the LURA which stipulates that its restrictions run with the land.

Owner was previously referred for an administrative penalty in 2013, for failure to provide adequate documentation that household incomes were within prescribed limits upon initial occupancy for six units. Corrections were submitted after an administrative penalty informal conference was set. The referred violations were resolved as required and the 2013 administrative penalty referral was closed informally with a warning letter.

The following compliance violations identified during 2016 were referred for an administrative penalty and are unresolved:

1. Pre-on-site documentation violation, including:
 - a. Unit status report;
 - b. Delinquent quarterly vacancy reports;
 - c. Copy of Tenant Rights and Resources Guide, as posted in office; and
 - d. Documentation supporting application fees and charges.
2. Failure to respond to requests for monitoring, including:
 - a. Affirmative Marketing Plan;
 - b. Written tenant selection criteria;
 - c. Utility allowance for the past two years; and
 - d. Tenant files for units 159, 163, 224, 363, 419, 435, and 426.

Owner representatives participated in an informal conference with the Enforcement Committee on January 31, 2017, and agreed to sign an Agreed Final Order with the following terms:

1. A \$1,250 administrative penalty, subject to partial forgiveness as indicated below;
2. Owner must submit \$500 portion of the administrative penalty on or before March 29, 2017;
3. Owner must correct the file monitoring violations as indicated in the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before May 29, 2017;

4. Owner representatives who work on tenant files must attend First Thursday Income Eligibility Training, then provide copies of completion certificates to TDHCA, on or before May 29, 2017.
5. If Owner complies with all requirements and addresses all violations as required, the remaining administrative penalty in the amount of \$750 will be forgiven; and
6. If Owner violates any provision of the Agreed Final Order, the full administrative penalty will immediately come due and payable.

Consistent with direction from the Department's Enforcement Committee, a probated and, upon successful completion of probation, partially forgivable administrative penalty in the amount of \$1,250 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
ACA MISSION, LLC AND
PA MISSION POINTE, LLC
WITH RESPECT TO
MISSION POINTE CLUB (FKA)
COUNTRY VILLA
(HTC FILE # 91040 / CMTS # 958)

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 28th day of February, 2017, the Governing Board (“Board”) of the Texas Department of Housing and Community Affairs (“TDHCA”) considered the matter of whether enforcement action should be taken against **ACA MISSION, LLC**, a Texas limited liability company and **PA MISSION POINTE, LLC**, a Texas limited liability company (collectively, “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 1993, Tarrant Country Villa Associates, LP (“Prior Owner”) was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of \$315,350 to acquire, rehabilitate and operate Mission Pointe Club (fka) Country Villa (“Property”) (HTC file No. 91040 / CMTS No. 958 / LDLD No. 404).

2. Prior Owner signed a land use restriction agreement (“LURA”) regarding the Property. The LURA was effective February 26, 1993, and filed of record at Volume 10964, Page 0298 of the Official Public Records of Real Property of Tarrant County, Texas (“Records”). In accordance with Section 2 of the LURA, the LURA is a restrictive covenant/deed restriction encumbering the property and binding on all successors and assigns for the full term of the LURA.
3. PA Mission Pointe, LLC took ownership of the Property on July 2, 2009 and transferred 50% of the property to related entity, ACA Mission, LLC, on July 30, 2010. Although an Agreement to Comply has not yet been signed, Respondent is bound to the terms of the LURA in accordance with Section 2 thereof.
4. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations¹:

5. On May 11, 2016, TDHCA sent notice that Respondent had failed to timely submit Part A, Part C and the Owner’s Financial Certification for 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. These report parts remain outstanding.
6. A file desk review was to be completed by February 10, 2016, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. No reply was received. Notifications of noncompliance were sent and a September 4, 2016, corrective action deadline was set, however, the following violations were not corrected before the deadline:
 - a. Respondent failed to submit pre-onsite documentation, including a unit status report, delinquent quarterly vacancy reports, copy of tenant rights and resources guide, and documentation supporting application fees and charges, 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. This finding remains unresolved.
 - b. Respondent failed to reply to the Department requests for a monitoring review, a violation of 10 TAC §10.618 (Onsite Monitoring), which requires all developments to permit monitoring and to submit necessary compliance documentation as requested by the Department. Additional tenant documents that had been requested included an affirmative marketing plan, written tenant selection criteria, the utility allowance for the past two years, and tenant files for units 159, 163, 224, 363, 419, 435, and 426. This finding remains unresolved.

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.

- c. Respondent failed to maintain owner contact information in the Compliance Monitoring and Tracking System ("CMTS"), a violation of 10 TAC §10.602(d) and 10 TAC §1.22. This finding was resolved on January 4, 2017.
7. The following violations remain outstanding at the time of this order:
 - a. Pre-onsite documentation violation described in FOF #6a;
 - b. Failure to respond to request for monitoring violation described in FOF #6b;

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 §10.607 and §10.618 in 2016, by not submitting pre-onsite documentation in preparation for the monitoring review;
5. Respondent violated 10 TAC §10.618 in 2016, by failing failure to allow monitoring;
6. Respondent violated 10 TAC §10.602(d) and 10 TAC §1.22 in 2016, by failing failure to maintain contact information;
7. 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.
8. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
9. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code § 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.
10. An administrative penalty of \$1,250 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 \$1,250, subject to 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" on or before March 29, 2017;

IT IS FURTHER ORDERED that all staff members for Respondent who work on tenant files shall attend First Thursday Income Eligibility Training offered by TDHCA, and submit a completion certificate to the Agency on or before May 29, 2017.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the attachments and submit full documentation of the corrections to TDHCA on or before May 29, 2017.

IT IS FURTHER ORDERED that if Respondent timely and fully complies with the terms and conditions of this Agreed Final Order, correcting all violations as required, the satisfactory performance under this order will be accepted in lieu of the assessed administrative penalty and the remaining \$750 portion of the administrative penalty will be deferred and forgiven.

IT IS FURTHER ORDERED that if Respondent fails to satisfy any conditions or otherwise violates any provision of this order, or the property is sold before the terms and conditions of this Agreed Final Order have been fully satisfied, then the remaining administrative penalty in the amount of \$750 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold before the terms and conditions of this Agreed Final Order have been fully satisfied.

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

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

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC 10.406, a copy of which is included at Attachment 3, 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 _____, 2017.

By: _____
Name: Juan Muñoz
Title: Vice 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 28th day of February, 2017, personally appeared J. Paul Ozer, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 28th day of February, 2017, 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

Attachment 1

File Monitoring Violation Resources and Instructions

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

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

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

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

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

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

Utility Allowance: <http://www.tdhca.state.tx.us/pmcomp/utility-allowance.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>.

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.

6. **Utility Allowance -**

- a. Submit the current utility allowance used (i.e. public housing authority schedules, letters from local providers, or other Department approved documentation) for the current year and two years prior. If you are unfamiliar with utility allowances, a copy of the utility allowance rule at 10 TAC §10.614 and additional information regarding utility allowances are available at the link in #3 above.
- b. Update the unit status report to reflect the correct utility allowance.
- c. Ensure that gross rents charged to tenants do not exceed rental limits. When determining the appropriate rental amount, 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. TDHCA limits are available at the link in #3 above.

If you are overcharging rents, amend the lease to reduce the rent, refund the overcharged rents, then submit to the Department:

- i. Updated unit status report via CMTS, showing the corrected utility allowance amount and current/reduced rent amount for each unit;

- ii. Evidence of refunds. In accordance with 10 TAC 10.622(d), Respondent is required to refund (not credit) overcharged rents to affected residents.
7. **Unit status reports / quarterly vacancy reports** – Quarterly reports are due on the 10th of January, April, July, and October, but these reports have not been submitted since February of 2016. This report does not collect historical data; therefore, please enter your current occupancy data into CMTS, then submit that data for all quarters from April 2016 through January 2017. The reports will open for submission as the previous report is submitted. For example, submitting the April 2016 report will make the July 2016 report available for submission. If you have any technical problems, please email a description to cmts.requests@tdhca.state.tx.us with a cc to ysella.kaseman@tdhca.state.tx.us.
8. **Written tenant selection criteria** – Submit updated written tenant selection criteria addressing all requirements at 10 TAC §10.610, including but not limited to the requirement to state that the Development will comply with state or federal fair housing and anti-discrimination laws. Staff recommends using the rule as a checklist. A webinar presentation is available at: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>. A cheat sheet for further verification is available at <http://www.tdhca.state.tx.us/pmcdocs/15-AOCR-TSC.pdf>, however, please note that the cheat sheet was only published as an aide for annual reporting and, as such, should not be relied upon as a primary resource; you are required to follow all requirements of the rule.
9. **Mandatory application fees or charges** – Submit documentation to support amounts charged. Per 10 TAC §10.622, you may only charge actual costs for application fees.
10. **Affirmative marketing plan** – Submit complete Affirmative Marketing Plan along with outreach marketing materials, as indicated below. A webinar presentation is available at: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>.

Frequent problems observed by TDHCA that cause plans to be rejected include, but are not limited to:

1. Not correctly identifying populations “least likely to apply”. In general, those populations that are least likely to apply *might* include: African Americans, Native Americans, Alaskan Natives, Asians, Native Hawaiians, Other Pacific Islanders, Caucasians (non-Hispanic), Hispanics or Latinos, families with children, and the disabled. Analysis is required to determine which of these groups are least likely to apply;
2. Not affirmatively marketing to the disabled. All properties must market to the disabled population.
3. 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;
4. 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;
5. 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.

To correct Affirmative Marketing Plan:

- a. Submit via CMTS your delinquent unit status reports / quarterly vacancy reports as indicated in #6 above. The Affirmative Marketing Web Tool discussed below compares census data to the tenant data from your quarterly reports, so the results may change after you submit these delinquent reports.
- b. Identify the appropriate housing market in which outreach efforts will be made;
- c. Determine the groups that are least likely to apply. 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>. Persons with disabilities must always be selected as a group least likely to apply.

The Web Tool currently shows “Persons with Disabilities” and “White” as the groups least likely to apply. This may change when you submit your updated unit status reports / quarterly vacancy reports, however. Your plan submitted on 1/30/2017 did not include the “White” demographic as a group that is considered least likely to apply

- d. Complete and execute an affirmative marketing plan using any version of HUD Form 935.2A, including the groups and organizations identified above.
- e. Identify in Worksheets 2 & 3 specific organizations, media, and community contacts in the housing market to send marketing outreach materials. Your plan dated 1/30/2017 included blank worksheets.

The organizations that you select must specifically reach those groups identified by the Affirmative Marketing Web Tool as being least likely to apply, and the disabled. Local groups that focus on helping the mentally disabled, physically disabled, disabled veteran affairs groups, etc, could be a way to market to the disabled community. Some examples of groups that focus on the disabled: Easter Seals, United Cerebral Palsy, American Council of the Blind, The Blinded Veterans Association.

- f. Comply with all requirements of 10 TAC §10.617, which we recommend using as a checklist. This rule is available at the link in #1 above.
- g. Remember to sign and date the affirmative marketing plan. Your plan submitted 1/30/2017 was not signed or dated;
- h. Send marketing outreach materials 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 completar el proceso de aplicacion deben comunicarse con el Administrador del apartment al XXX-XXX-XXXX.”*
- i. Submit copies of all documentation to the Department via CMTS for review.

- 11. Tenant Rights and Resources Guide** – Submit copy of the Tenant Rights and Resources Guide, as laminated in the office. Ensure that all fillable (shaded) areas are completed.

A copy was submitted on 1/30/2017, but does not appear to have been customized for the property (for example, see highlighted “insert the property’s required amenities and/or services for residents” on pg 3 that was not edited by the property. If “none” then write “none”.)

12. Tenant Files: Follow the instructions below with respect to units 159, 163, 224, 363, 419, 435, and 426, and submit all documentation.

Circumstance with respect to units listed above	Instruction
If unit is occupied by a qualified household	Submit the full tenant file*.
If unit is occupied by a nonqualified household on a month-to-month lease	<p>A. Follow your normal procedures for terminating residency and provide a copy of documentation to TDHCA.**</p> <p>B. As soon as the unit is occupied by a qualified household, you must submit the full tenant file*. Receipt after 5/29/2017 is acceptable for this circumstance provided that Requirement A above is fulfilled.</p>
If unit is occupied by a nonqualified household with a non-expired lease	<p>A. Issue a nonrenewal notice to tenant** and provide a copy to TDHCA.</p> <p>B. As soon as the unit is occupied by a qualified household, you must submit the full tenant file*. Receipt after 5/29/2017 is acceptable for this circumstance provided that Requirement A above is fulfilled.</p>
If unit has been vacant <i>more than</i> 30 days	<p>A. Unit must be made ready for occupancy and a letter certifying to that effect must be submitted to TDHCA.</p> <p>B. As soon as the unit is occupied by a qualified household, you must submit the full tenant file*. Receipt after 5/29/2017 is acceptable for this circumstance provided that Requirement A above is fulfilled.</p>
If unit has been vacant <i>less than</i> 30 days	<p>A. If unit is ready for occupancy, a letter certifying to that effect must be submitted to TDHCA.</p> <p>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).</p> <p>C. As soon as the unit is occupied by a qualified household, you must submit the full tenant file*. Receipt after 5/29/2017 is acceptable for this circumstance provided that Requirements A and B above are fulfilled.</p>

*Full tenant file must include: tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum, and Tenant Rights and Resources Guide Acknowledgment. See Attachment 2 for guidelines.

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

http://texreg.sos.state.tx.us/public/readtac&ext=TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=10&rl=610

Attachment 2

Tenant File Guidelines

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

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

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

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

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

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

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

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

Attachment 3:

Texas Administrative Code

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

1b

BOARD ACTION REQUEST

LEGAL DIVISION

FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Amistad Farm Labor Housing Phase II (HTF 98141 / CMTS 2627)

RECOMMENDED ACTION

WHEREAS, Amistad Farm Labor Housing Phase II (HTF 98141 / CMTS 2627), owned by Amistad Housing Development Corporation (“Owner”), has uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

WHEREAS, on January 31, 2017, Owner’s representatives participated in an informal conference with the Enforcement Committee and agreed, subject to Board approval, to enter into an Agreed Final Order assessing an administrative penalty of \$500, to be fully forgiven if all violations are resolved as specified in the Agreed Final Order on or before March 29, 2017;

WHEREAS, unresolved compliance findings include a household income violation for unit 39, a lease violation relating to required lease notices for unit 39, and a written tenant selection criteria violation; and

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

NOW, therefore, it is hereby

RESOLVED, that an Agreed Final Order assessing an administrative penalty of \$500, subject to partial forgiveness as outlined above for noncompliance at Amistad Farm Labor Housing Phase II, 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

Amistad Housing Development Corporation ("Owner") is the owner of Amistad Farm Labor Housing Phase II ("Property"), a low income apartment complex composed of 20 units, located in Hereford, Deaf Smith County. Records of the Texas Secretary of State list the following members and/or officers: Anthony Montelongo (Director / President), Maria Garcia (Director / Vice President), Lou Ann San Miguel (Director / Secretary Treasurer), Lupe Castillo (Director), and Peter Castillo (Director). CMTS lists Angie Alonzo as the primary contact(s) for Owner. The property is self managed.

The Property is subject to a Land Use Restriction Agreement ("LURA") signed by Owner in 1999 in consideration for a low interest Housing Trust Fund loan in the amount of \$151,700 to acquire, rehabilitate and operate the Property.

Owner was previously referred for an administrative penalty for an annual reporting violation, but the referral was closed informally when full corrections were received. Owner has been referred again, and only partially acceptable corrective documentation was submitted in response to the informal conference notice sent by the Enforcement Committee.

The following compliance violations identified during 2016 were referred for an administrative penalty and have been resolved:

1. Affirmative Marketing Plan.

The following compliance violations identified during 2016 were referred for an administrative penalty and are unresolved:

1. Household income violation for unit 39;
2. Lease violations relating to failure to provide the Tenant Rights and Resources Guide to unit 39 and have the household execute a Tenant Rights and Resources Guide Acknowledgment;
3. Failure to maintain adequate written leasing criteria.

Owner participated in an informal conference with the Enforcement Committee on January 31, 2017, and agreed to sign an Agreed Final Order with the following terms:

1. A \$500 administrative penalty, subject to forgiveness as indicated below;
2. Owner must correct the file monitoring violations as indicated in the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before March 29, 2017;
3. If Owner complies with all requirements and addresses all violations as required, the full administrative penalty in the amount of \$500 will be forgiven; and
4. If Owner violates any provision of the Agreed Final Order, the full administrative penalty will immediately come due and payable.

Consistent with direction from the Department's Enforcement Committee, a probated and, upon successful completion of probation, partially forgivable administrative penalty in the amount of \$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
AMISTAD HOUSING
DEVELOPMENT CORPORATION
WITH RESPECT TO AMISTAD FARM
LABOR HOUSING PHASE II
(HTF FILE # 98141 / CMTS # 2627)

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 28th day of February, 2017, the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA") considered the matter of whether enforcement action should be taken against **AMISTAD HOUSING DEVELOPMENT CORPORATION**, a Texas nonprofit 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 1999, Respondent was awarded by the Board a Housing Trust Fund loan totaling \$151,700 at 3% interest, to acquire, rehabilitate and operate Amistad Farm Labor Housing Phase II ("Property") (HTC file No. 98141 / CMTS No. 2627 / LDLD No. 359).

2. Respondent signed a land use restriction agreement (“LURA”) regarding the Property. The LURA was effective April 30, 1999, and filed of record at Document Number 991082 of the Official Public Records of Real Property of Deaf Smith County, Texas (“Records”).
3. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations¹:

4. An on-site monitoring review was conducted on May 5, 2016, 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 20, 2016, corrective action deadline was set, however, the following violations were not corrected before the deadline:
 - a. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for unit 39, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 2.2(b) of the LURA, which require screening of tenants to ensure qualification for the program. Corrective documentation for a new household was submitted in response to an administrative penalty informal conference notice, but did not include verifications of all sources of income and assets, and did not include a tenant release and consent form. This finding remains unresolved.
 - b. Respondent failed to provide a Tenant Rights and Resources Guide and get a signed Acknowledgment for unit 39, a violation of 10 TAC §10.613 (Lease Requirements), which requires owners to provide a copy to each household during the application process and upon any subsequent change to common amenities, unit amenities, or services. The household moved out before signing, so the finding is uncorrectable.
 - c. Respondent failed to maintain written 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. Criteria were submitted in response to an administrative penalty informal conference notice, but did not meet minimum requirements and the finding remains unresolved.
 - d. 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. An affirmative marketing plan was received in response to an administrative penalty informal conference notice, but the plan omitted the required marketing materials to prove that the development was carrying out marketing to the disabled. Acceptable corrective documentation was submitted December 13, 2016, 84 days past the

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.

corrective deadline, after an administrative penalty informal conference notice was sent.

5. The following violations remain outstanding at the time of this order:
 - a. Household income violation described in FOF #4a;
 - b. Tenant Rights and Resources Guide violation described in FOF 4b; and
 - c. Written Tenant Selection Criteria violation described in FOF 4c.

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 2.2 of the LURA and 10 TAC §10.611 in 2016 by failing to provide documentation that household income was within prescribed limits upon initial occupancy for unit 36;
4. Respondent violated leasing requirements in 10 TAC §10.613 in 2016, by failing to provide a Tenant Rights and Resources Guide to unit 39 and have the household sign an acknowledgment form;
5. Respondent violated 10 TAC §10.610 in 2016, by not maintaining written tenant selection criteria meeting TDHCA requirements;
6. Respondent violated 10 TAC §10.617 in 2016, by failing to provide a complete affirmative marketing plan;
7. 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.
8. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
9. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code § 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.

10. An administrative penalty of \$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 \$500, subject to deferral as further ordered below.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the attachments and submit full documentation of the corrections to TDHCA on or before March 29, 2017.

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

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

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

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

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC 10.406, a copy of which is included at Attachment 3, 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 _____, 2017.

By: _____
Name: Juan Muñoz
Title: Vice 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 28th day of February, 2017, personally appeared J. Paul Ozer, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 28th day of February, 2017, 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

Attachment 1

File Monitoring Violation Resources and Instructions

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

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

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

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

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

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

Utility Allowance: <http://www.tdhca.state.tx.us/pmcomp/utility-allowance.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>.

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.

6. **Household income violation for unit 39:** Respondent submitted a tenant file for a new household, but it was incomplete. Submit the tenant release and consent form, verifications of income and assets, and child support income verification.

7. **Written tenant selection criteria** – Respondent submitted written tenant selection criteria, however, the criteria were incomplete. Submit updated written tenant selection criteria addressing all requirements at 10 TAC §10.610, including but not limited to the highlighted areas in the copy of the rule at Attachment 2. Staff recommends using the rule as a checklist. A webinar presentation is available at: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>. A cheat sheet for further verification is available at <http://www.tdhca.state.tx.us/pmcdocs/15-AOCR-TSC.pdf>, however, please note that the cheat sheet was only published as an aide for annual reporting and, as such, should not be relied upon as a primary resource; you are required to follow all requirements of the rule.

6. **Tenant Rights and Resources Guide violation for unit 39:** Uncorrectable because the household moved out without signing the form. No corrective action is available and nothing is required under this order for this violation.

Attachment 2

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 10</u>	UNIFORM MULTIFAMILY RULES
<u>SUBCHAPTER F</u>	COMPLIANCE MONITORING
<u>§10.610</u>	WRITTEN POLICIES AND PROCEDURES

§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. Chapter 1, Subchapter B of this title provides more detail about reasonable accommodations.
 - (ii) Screening criteria will be applied in a manner consistent with all applicable laws, including the Texas and Federal Fair Housing Acts, the Federal Fair Credit Reporting Act, program guidelines, and the Department's rules.
 - (iii) Specific animal, breed, number, weight restrictions, pet rules, and pet deposits will not apply to households having a qualified service/assistance animal(s).
- (E) Notice to applicants and current residents about Violence Against Women Reauthorization Act of 2013 ("VAWA") protections.
- (F) Specific age requirements if the Development is operating as Housing for Older Persons under the Housing for Older Persons Act of 1995 as amended (HOPA), or as required by federal funds to have an Elderly Preference, and in accordance with a LURA.
- (2) The criteria must not:
 - (A) Include preferences for admission, unless such preference is:
 - (i) Allowed for under program rules; or,
 - (ii) The property receives Federal assistance and has received written approval from HUD, USDA, or VA for such preference.
 - (B) Exclude an individual or family from admission to the Development solely because the household participates in the HOME Tenant Based Rental Assistance Program, the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. §1-437), or other federal, state, or local government rental assistance program. 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.
 - (c) Reasonable Accommodations Policy. Owners must maintain a written Reasonable Accommodations policy. The policy must be maintained at the Development. Owners are responsible for ensuring that their employees and contracted third party management companies are aware of and comply with the reasonable accommodation policy.
 - (1) The policy must provide:

- (A) Information on how an applicant or current resident with a disability may request a reasonable accommodation; and,
 - (B) A timeframe in which the Owner will respond to a request.
- (2) The policy must not:
- (A) Require a household to make a reasonable accommodation request in writing;
 - (B) Require a household to provide specific medical or disability information other than the disability verification that may be requested to verify eligibility for reasonable accommodation or special needs set aside program;
 - (C) Exclude a household with person(s) with disabilities from admission to the Development because an accessible unit is not currently available; or,
 - (D) Require a household to rent a unit that has already been made accessible.
- (d) **Wait List Policy.** Owners must maintain a written wait list policy, regardless of current unit availability. The policy must be maintained at the Development.
- (1) The policy must include procedures the Development uses in:
- (A) Opening, closing, and selecting applicants from the 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 I, Subchapter B of this title.
- (2) **Developments with additional rent and occupancy restrictions must maintain a waiting list for their lower rent restricted units. Unless otherwise approved at application, underwriting and cost certification, all unit sizes must be available at the lower rent limits. The wait list policy for Developments with lower rent restricted units must address how the waiting list for their lower rent restricted units will be managed. The policy must not give a preference to prospective applicants over existing households. However, a Development may, but is not required to, prioritize existing households over prospective applicants.**
- (e) **Denied Application Policies.** Owners must maintain a written policy regarding procedures for denying applications.
- (1) The policy must address the manner by which rejections of applications will be handled, including timeframes and appeal procedures, if any.
- (2) **Within seven (7) days after the determination is made to deny an application, the owner must provide any rejected or ineligible applicant that completed the application process a written notification of the grounds for rejection. The written notification must include:**
- (A) The specific reason for the denial and reference the specific leasing criteria upon which the denial is based; and,
 - (B) Contact information for any third parties that provided the information on which the rejection was based and information on the appeals process, if one is used by the property.
- (3) The Development must keep a log of all denied applicants that completed the application process to include:

- (A) Basic household demographic and rental assistance information, if requested during any part of the application process;
 - (B) The specific reason for which an applicant was denied, the date the decision was made; and,
 - (C) The date the denial notice was mailed or hand-delivered to the applicant.
- (4) A file of all rejected applications must be maintained the length of time specified in the applicable program's recordkeeping requirements and include:
- (A) A copy of the written notice of denial; and,
 - (E) The Tenant Selection Criteria policy under which an applicant was screened.
- (f) Non-renewal and/or Termination Notices. Owners must maintain a written policy regarding procedures for providing households non-renewal and termination notices.
- (1) The owner must provide in any non-renewal or termination notice, a specific reason for the termination or non-renewal.
 - (2) The notification must:
 - (A) Be delivered as required under applicable program rules;
 - (B) Include information on rights under VAWA;
 - (C) State how a person with a disability may request a reasonable accommodation in relation to such notice; and,
 - (D) Include information on the appeals process if one is used by the property.
- (g) Unit Transfer Policies. Owners must maintain a written policy regarding procedures for households to request a unit transfer. The policy must address the following:
- (1) How security deposits will be handled for both the current unit and the new unit;
 - (2) How transfers related to a reasonable accommodation will be addressed; and,
 - (3) For HTC Developments, how transfers will be handled with regard to the multiple building project election on IRS Form(s) 8609 line 8(b) and accompanying statements in accordance with §10.616 of this subchapter, concerning Household Unit Transfer Requirements for All Programs.

Attachment 3:

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 28, 2017

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

RECOMMENDED ACTION

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

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

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

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

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

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

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

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

WHEREAS, Respondent only submitted partial corrective action documentation for the 2015 UPCS inspection and multiple violations remain unresolved to date;

WHEREAS, an informal conference was held on October 9, 2015, regarding the 2015 UPCS violations, and the Enforcement Committee voted to recommend debarment for a period of ten years for Charles Miller, and an administrative penalty of \$13,250: the maximum potential amount;

WHEREAS, a Report to the Board was given on December 17, 2015, regarding the administrative penalty recommendation, and an Agreed Final Order was signed by the Board as an offer of settlement;

WHEREAS, the Department issued a Notice of Report to the Board to Respondent on December 30, 2015, regarding the administrative penalty recommendation, giving Respondent twenty days to either accept the Agreed Final Order or request a formal hearing at SOAH;

WHEREAS, the Department issued a Notice of Debarment Determination to Respondent on December 30, 2015, giving Respondent twenty days to either accept the determination or submit a written appeal to the Board;

WHEREAS, Respondent appealed both the debarment and administrative penalty recommendations;

WHEREAS, the debarment appeal was considered by the Board on February 25, 2016, and the Board voted to debar Charles Miller for a period of twenty years;

WHEREAS, the administrative penalty appeal was placed on hold because it came to the attention of the Legal Division that Respondent had a new file monitoring review conducted on January 27, 2016;

WHEREAS, new and repeated violations were identified during a regularly scheduled file monitoring review conducted on January 26, 2016, a monitoring letter was issued June 10, 2016, and a deadline of September 8, 2016, was set for Respondent to submit fully acceptable corrective documentation;

WHEREAS, Respondent did not submit any corrections to the Compliance Division in response to the monitoring letter;

WHEREAS, Respondent submitted partial corrections in response to an informal conference notice sent by the Enforcement Committee on October 25, 2016, but requested multiple extensions and asked to reschedule the informal conference;

WHEREAS, the following new violations remain unresolved to date: Utility allowance violation, written tenant selection criteria violation, Tenant Rights and Resources Guide violation, household income violations for units 106, 305, 401, 420, 513, 515, 601, 804, 807, 110, 112, 403, 506, 508, 806, 811, 404, annual eligibility certification violations for units 106, 305, 401, 506, 601, 807, 107, 110, 112, 118, 403, 404, 418, 508, 603, 801, 805, 204, 702, 703, lease language violations for units 106, 110, 120, 301, 305, 401, 420, 513, 804, 807, 118, 203, 303, 403, 418, 508, 603, 801, 805, 806, 813. The following repeated violations also remain unresolved: Household income violations for units 112, 120, 201, 203, 409, 418, 503, 805, 813, pre-on-site documentation violation for failure to submit entrance interview questionnaire, unit status report, and written leasing criteria, failure to pay compliance fees for the years 2014 through 2016, affirmative marketing plan violation, and the unresolved 2012 and 2015 UPCS violations;

WHEREAS, an informal conference was held on January 31, 2017, and the Enforcement Committee voted to recommend an administrative penalty of \$62,340, minus a dollar for dollar reduction of \$4,185 provided that owner pays delinquent compliance fees for the years 2014 through 2016 in that amount;

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

WHEREAS, an administrative penalty in the amount of \$62,340 is appropriate under the statutory factors at Texas Gov't Code §2306.042 and the applicable penalty matrix under 10 Tex. Admin. Code §2.302;

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

WHEREAS, Department staff will issue a Notice of Report to the Board to Southmore Park Apartments, Ltd and will do all things necessary to pursue correction of all unresolved violations and the assessment of an administrative penalty in the recommended amount of \$62,340, including, if necessary, a contested case hearing with SOAH;

NOW, therefore, it is hereby

RESOLVED, that the Board accepts and approves the issuance by the Executive Director of a Report to the Board relating to Southmore Park Apartments, Ltd. and a proposed Agreed Final Order assessing an administrative penalty of \$62,340, substantially in the form presented at this meeting in the attachment to the Notice of Violation, and authorizing any non-substantive technical corrections, which order is hereby adopted as the order of this Board in the event that Owner chooses to settle the matter and avoid a contested case hearing.

BACKGROUND

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

Charles Miller, President and Director of Respondent, has been debarred from participation in TDHCA programs for a period of 20 years. He is responsible for the declining physical condition of the property and has failed to ensure that his staff is adequately trained and qualified to operate the property. Mr. Miller has hired multiple property management companies over the years, but has made little effort to oversee those property managers, to ensure that they are properly trained, to fix the underlying problems with respect to property and files, and remedy the repeated communication failures with TDHCA. Mr. Miller and his attorneys have claimed on numerous occasions that noncompliance is either because of failures by onsite property staff, or because Mr. Miller misunderstood TDHCA requirements, or because the Department is too demanding. However, TDHCA has provided extensive technical support over the years, both offered in person during onsite reviews, and by drafting detailed corrective action letters giving specific instructions regarding how to correct each violation. The Department also offers regular training opportunities. Any ignorance of program requirements appears to be willful since Mr. Miller is a sophisticated property developer owning numerous multifamily developments, and neither he nor his staff has attended TDHCA training.

The behavior described below for related properties, coupled with his continued conduct at Southmore Park, shows a pattern of neglect and willful noncompliance. His attorney, Mr. Bone, appeared before the Board on February 25, 2016, and told them that Mr. Miller was taking the violations seriously and turning over a new leaf, working diligently to comply. To date, this has not come to fruition. Mr. Miller has submitted no further corrections in response to the Committee's debarment and penalty recommendations from 2015 and 2016. Despite repeatedly promising clean-up efforts to the Committee and the Board, he submitted no corrections in response to the Compliance Division's 2016 file monitoring review with a September 2016 correction deadline. His eventual response to the Committee's 2016 informal conference notice was late and showed little effort. In retrospect, it is clear that past penalty and debarment recommendations were not adequate to deter future violations, and that more extreme measures are required.

Mr. Miller is responsible for consistent noncompliance at multiple related properties. Although not the subject of today's administrative penalty recommendation, they represent compelling other factors that are relevant to the recommendation. Other properties included:

- Campbell Road (HTC 70023 / CMTS 888): The property was in extremely poor physical condition, scoring only 36 out of 100 during its 2011 UPCS inspection, while 80% occupied. The Department initiated the administrative penalty process, but Mr. Miller signed a deed in lieu of foreclosure in January of 2012, removing the property from the program.

- Glass Street (HTC 06973 / CMTS 845): The property received tax credit funding in 1989 when there was no extended use period and prior to the requirement to record a land use restriction agreement. Department records indicate that the property failed to timely submit annual reports, was out of compliance with documentation requirements regarding tenant income, failed to properly calculate the utility allowance, and that Mr. Miller failed to respond to requests for monitoring reviews. The compliance period ended in 2005, before the Department received statutory authority to pursue administrative penalties.
- Glass Street (HTC 06888 / CMTS 853): Similar history as for Glass Street CMTS 845 above. The Department's records indicate the property was out of compliance with UPCS requirements, failed to timely submit annual reports, failed to properly document tenant income, failed to calculate a utility allowance, and Mr. Miller failed to respond to requests for monitoring reviews. The Compliance period ended in 2006, also before the Department received statutory authority to pursue administrative penalties.
- Glass Street Apartments II (HTC 06781 / CMTS 796): Similar history as for Glass Street CMTS 845 above. The Department's records indicate the property was cited for leasing households to ineligible units, failure to timely submit annual reports, noncompliance with documentation regarding tenant income, failure to calculate a utility allowance, and Mr. Miller failed to respond to requests for monitoring reviews. The Compliance period ended in 2004, also before the Department received statutory authority to pursue administrative penalties.

The Enforcement Committee history for Southmore Park is extensive. TDHCA and Southmore Park Apartments, Ltd. settled a previous administrative penalty contested case hearing scheduled with SOAH via an Agreed Final Order that was approved by the Board on February 19, 2015. The administrative penalty was paid under that Agreed Final Order and monthly payments were received for compliance fees, but no acceptable corrective documentation was submitted for the file or UPCS findings, constituting a violation of the Agreed Final Order.

A subsequent administrative penalty referral was submitted to the Enforcement Committee after Southmore Park Apartments, Ltd. failed to fully correct violations identified during a physical inspection conducted on March 26, 2015. The Enforcement Committee held an informal conference on October 9, 2015, and voted to recommend the maximum potential administrative penalty for these new violations, totaling \$13,250. The Committee also recommended debarment of Charles Miller for a term of ten years. A Report to the Board was issued regarding the administrative penalty recommendation on December 17, 2015, and the Board approved an Agreed Final Order offering settlement. On December 30, 2015, the Department issued a Notice of Report to the Board, giving Respondent twenty days to either accept the Agreed Final Order or request a formal hearing at SOAH. The Department also issued a Notice of Debarment Determination to Charles Miller, giving 20 days to either accept the determination or appeal to the Board. Respondent appealed both the debarment and administrative penalty recommendations.

The debarment appeal was heard by the Board on February 25, 2016, with the Board ultimately voting to double the Enforcement Committee's recommendation by ordering a debarment term of 20 years. The administrative penalty appeal, in the form of a formal hearing to be docketed with SOAH, was postponed because it came to the attention of the Legal Division that a new file monitoring review was conducted by the Compliance Division on January 27, 2016. Since the Department monitors in three-year cycles, the Legal Division notified Respondent's counsel that docketing a formal hearing at SOAH would be postponed while awaiting the results of the 2016 monitoring review in order to avoid the time and expense of holding separate hearings at SOAH in the event that additional violations were found and not timely corrected.

New and repeated violations were identified during the January 27, 2016 file monitoring review. A monitoring letter was issued June 10, 2016, and a deadline of September 8, 2016, was set for Respondent to submit fully acceptable corrective documentation. Respondent did not submit any corrections to the Compliance Division in response to this monitoring letter. The violations were referred for an administrative penalty, and an informal conference notice was issued by the Enforcement Committee on October 25, 2016, setting an informal conference for Tuesday, December 13, 2016 and providing until November 14, 2016 to submit corrective documentation. The Legal Division sent multiple reminders via email to both Respondent and his legal counsel, Bob Bone, but received no reply other than automated confirmation messages that Mr. Bone had read the messages. Mr. Bone contacted TDHCA on Friday, December 9, 2016, requesting rescheduling of the informal conference and an extension to the Committee's correction deadline. TDHCA staff agreed to permit the extension, and told Mr. Bone that such requests are not typically approved, but that TDHCA wanted to provide every opportunity for Mr. Bone's client to comply. The informal conference was reset to January 31, 2017, and a deadline of December 16, 2016 was provided to submit corrections for consideration by the Committee. Mr. Bone called again on December 15, 2016, requesting another week to submit corrections. TDHCA staff agreed for the same reasons previously stated, and gave until December 22, 2016.

Corrections were received on December 22, 2016, but Compliance staff noted that the effort was quite poor, resolving few violations. The following violations remain unresolved to date: Utility allowance violation, written tenant selection criteria violation, Tenant Rights and Resources Guide violation, household income violations for units 106, 305, 401, 420, 513, 515, 601, 804, 807, 110, 112, 403, 506, 508, 806, 811, 404, annual eligibility certification violations for units 106, 305, 401, 506, 601, 807, 107, 110, 112, 118, 403, 404, 418, 508, 603, 801, 805, 204, 702, 703, lease language violations for units 106, 110, 120, 301, 305, 401, 420, 513, 804, 807, 118, 203, 303, 403, 418, 508, 603, 801, 805, 806, 813. The following repeated violations also remain unresolved: Household income violations for units 112, 120, 201, 203, 409, 418, 502, 805, and 813, pre-onsite documentation violation for failure to submit entrance interview questionnaire, unit status report, and written leasing criteria, failure to pay compliance fees for the years 2014 through 2016, affirmative marketing plan violation, and the unresolved 2012 and 2015 UPCS violations.

The Enforcement Committee held an informal conference on January 31, 2017, and voted to recommend an Agreed Final Order with the following terms:

1. A \$62,340 administrative penalty, subject to reduction as indicated below;
2. Respondent must pay \$4,185 in delinquent compliance fees for 2014, 2015, and 2016 by May 1, 2017. If paid, there will be a dollar for dollar reduction of \$4,185 applied toward the administrative penalty, reducing the total payable penalty amount to \$58,155.
3. Respondent must correct the file monitoring violations as indicated in the Agreed Final Order, and submit full documentation of the corrections to TDHCA on or before May 1, 2017; and
4. Respondent must pay the administrative penalty on or before May 1, 2017.

Respondent has not replied to indicate agreement or disagreement with the terms outlined above, so the Department is proceeding as though this will be a contested case hearing.

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

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

Consistent with direction from the Department's Enforcement Committee, an administrative penalty in the amount of \$62,340 is recommended, and the Department will take all necessary steps to initiate a contested case hearing if the Agreed Final Order accepting the administrative penalty is not signed by Respondent.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

To: TDHCA Governing Board
From: Timothy K. Irvine, Executive Director
Date: February 28, 2017
Subject: Report to the Board

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

I. JURISDICTION:

1. During 1996, Respondent was awarded an allocation of Low Income Housing Tax Credits by the Board, in the amount of \$237,523 to build and operate Southmore Park ("Property") (HTC file No. 94004 / CMTS No. 1204 / LDDL No. 141).
2. Respondent signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective November 20, 1996, and filed of record at Document Number S250798 of the Official Public Records of Real Property of Harris County, Texas ("Records"), as amended by a First Amendment executed on April 5, 2004.
3. Respondent is subject to the regulatory authority of TDHCA.

II. COMPLIANCE VIOLATIONS:

1. Property has a history of violations, including:
 - a. Respondent previously signed an Agreed Final Order on February 2, 2015, agreeing to pay a \$5,000 Administrative Penalty; pay \$11,160 in delinquent compliance fees for the years 2006 through 2013; and submit corrective documentation within a series of deadlines.
The Agreed Final Order was violated. The administrative penalty was paid and monthly payments were received for the compliance fees, but all other violations remain unresolved.
 - b. Respondent has a pending contested case hearing relating to violations outlined in an Agreed Final Order that was approved by TDHCA on December 17, 2015, but was rejected by Respondent. The \$13,250 penalty has not been paid and violations remain unresolved.



2. An on-site monitoring review was conducted on January 26, 2016, 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 included a re-check of prior file monitoring violations previously identified under the 2015 Agreed Final Order. It did not include a re-check of the UPCS violations previously identified, but did remind Respondent of those prior violations. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a September 8, 2016, corrective action deadline was set, however, no reply was received and the following violations were not corrected before the deadline:

New Violations:

- a. Respondent failed to properly calculate the utility allowance for the property, a violation of 10 TAC §10.614 (Utility Allowances), which requires all developments to establish a utility allowance.
- b. Respondent failed to maintain written tenant selection criteria, a violation of 10 TAC §10.610 (Tenant Selection Criteria), which requires all developments to establish written tenant selection criteria that meet minimum TDHCA requirements.
- c. Respondent failed to post a laminated copy of the Tenant Rights and Resources Guide in a common area of the leasing office, 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.
- d. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 106, 305, 401, 402, 419, 420, 513, 514, 515, 601, 804, 807, 110, 112, 403, 506, 508, 806, 811, 404, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program. Acceptable corrections were received for units 402, 419, and 514 on December 22, 2016, 105 days past the deadline, after an administrative penalty informal conference notice was sent. The findings remain unresolved for 17 units.
- e. Respondent failed to provide an Annual Eligibility Certifications for units 106, 107, 110, 112, 118, 201, 203, 204, 305, 401, 402, 403, 404, 409, 418, 506, 508, 601, 603, 702, 703, 801, 805, 807, a violation of 10 TAC §10.612 (Tenant File Requirements), which requires developments to annually collect an Annual Eligibility Certification form from each household. Acceptable corrections were received for units 201, 203, 402, and 409 on December 22, 2016, 105 days past the deadline, after an administrative penalty informal conference notice was sent. The findings remain unresolved for 20 units.
- f. Respondent failed to execute required lease provisions or exclude prohibited lease language for units 106, 107, 110, 118, 120, 203, 204, 301, 303, 305, 401, 402, 403, 404, 409, 418, 419, 420, 508, 513, 514, 603, 702, 703, 801, 804, 805, 806, 807, 813, a violation of 10 TAC §10.613 (Lease Requirements), which requires leases to include specific language protecting tenants from eviction without good cause and prohibiting owners from taking certain actions such as locking out or seizing property, or threatening to do so, except by judicial process. Acceptable corrections were received for units 107, 204, 402, 404, 409, 419, 514, 702, 703 on December 22, 2016, 105 days past the deadline, after an administrative penalty informal conference notice was sent. The findings remain unresolved for 21 units.

Repeated Violations:

- g. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 107, 112, 120, 201, 203, 409, 418, 503, 702, 703, 801, 805, and 813, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program. Acceptable corrections were received for units 107, 702, 703, and 801 on December 22, 2016, 105 days past the deadline, after an administrative penalty informal conference notice was sent. The findings for the rest of the units remain unresolved.
- h. 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. Required documentation includes: Entrance Interview Questionnaire to be completed in CMTS, unit status report, and written leasing criteria.
- i. Respondent paid delinquent compliance fees for the years 2006 through 2013, but failed to pay ongoing annual compliance fees for the years 2014 through 2016, totaling \$4,185, a violation of Section 7 of the LURA and Tex. Gov't Code §2306.176 and §2306.266, which permit the Department to set, charge, and collect fees.
- j. 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. An affirmative marketing plan was received in response to an administrative penalty informal conference notice, but the plan omitted the required marketing materials to prove that the development was carrying out marketing to the disabled.
- k. Respondent failed to submit Parts A and B of the Owner's Financial Certification of the 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 final parts were submitted on December 22, 2016, 236 days past the deadline.

3. The following violations remain outstanding at the time of this order:
- a. Violations that were part of the signed Agreed Final Order dated February 2, 2015, described in paragraph II.1.a;
 - b. Violations that were part of the Agreed Final Order, approved by the Board but not executed by Respondent, dated December 17, 2015, described in paragraph II.1.b;
 - c. Utility allowance violation described in paragraph II.2.a;
 - d. Written tenant selection criteria violation described in paragraph II.2.b;
 - e. Tenant Rights and Resources Guide leasing violation described in paragraph II.2.c;
 - f. Household income violations for 17 units described in paragraph II.2.d;
 - g. Annual Eligibility Certification violations for 20 units described in paragraph II.2.e;
 - h. Lease language violations for 21 units described in paragraph II.2.f;
 - i. Repeated household income violations for 9 units described in paragraph II.2.g;

- j. Repeated pre-onsite documentation violation described in paragraph II.2.h;
- k. Repeated compliance fee violations for the years 2014, 2015, and 2016, described in paragraph II.2.i; and
- l. Repeated affirmative Marketing plan violation described in paragraph II.2.j.

III. LAW/RULE VIOLATIONS:

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 §10.614 in 2016, by failing to properly calculate a utility allowance;
5. Respondent violated 10 TAC §10.610 in 2016, by not maintaining written tenant selection criteria meeting TDHCA requirements;
6. Respondent violated leasing requirements in 10 TAC §10.613 in 2016, by failing to post a laminated copy of the Tenant Rights and Resources Guide in a common area of the leasing office;
7. Respondent violated Section 4 of the LURA and 10 TAC §10.611 in 2016, by failing to provide documentation that household incomes are within prescribed limits upon initial occupancy for 17 units;
8. Respondent violated 10 TAC §10.612 in 2016, by failing to collect Annual Eligibility Certifications for 20 units;
9. Respondent violated 10 TAC §10.613 in 2016, by failing to execute required lease language provisions for 21 units;
10. Respondent repeated violations of Section 4 of the LURA and 10 TAC §10.611 in 2016, by again failing to provide documentation that household incomes are within prescribed limits upon initial occupancy for 13 units;
11. Respondent repeated violations of 10 TAC §10.607 and §10.618 in 2016, by again failing to submit requested pre-onsite documentation, including an entrance interview questionnaire and a unit status report;
12. Respondent repeated violations of Section 7 of the LURA and Tex. Gov't Code §2306.176 and §2306.266, by again failing to pay required annual compliance fees, this time for the years 2014 through 2016;
13. Respondent repeated violations of 10 TAC §10.617 in 2016, by again failing to provide a complete affirmative marketing plan; and
14. Respondent repeated violations of 10 TAC §10.607 in 2016, by failing to submit Annual Owner's Compliance Report parts for the year 2015.

15. 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.
16. 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.
17. 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.

IV. RECOMMENDED PENALTY:

The penalty amount of \$62,340 is appropriate under the penalty matrix at 10 TEX. ADMIN. CODE §2.302(j) and the statutory factors identified in TEX. GOV'T. CODE §2306.042.

Accordingly, after consideration of the factors set out in TEX. GOV'T CODE 2306.042 and 10 TEX. ADMIN. CODE § 2, I recommend that Respondent correct the outstanding violations outlined at paragraphs II.2 and II.3 above, and pay an administrative penalty in the amount of \$62,340.

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

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BEFORE THE
TEXAS DEPARTMENT OF
HOUSING AND
COMMUNITY AFFAIRS

AGREED FINAL ORDER

General Remarks and official action taken:

On this 28th day of February, 2017, the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA") considered the matter of whether enforcement action should be taken against **SOUTHMORE PARK APARTMENTS, LTD.**, a Texas limited partnership ("Respondent").

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

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

WAIVER

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

FINDINGS OF FACT

Jurisdiction:

1. During 1996, Respondent was awarded an allocation of Low Income Housing Tax Credits by the Board, in the amount of \$237,523 to build and operate Southmore Park ("Property") (HTC file No. 94004 / CMTS No. 1204 / LDLD No. 141).
2. Respondent signed a land use restriction agreement ("LURA") regarding the Property. The LURA was effective November 20, 1996, and filed of record at Document Number S250798 of the Official Public Records of Real Property of Harris County, Texas ("Records"), as amended by a First Amendment executed on April 5, 2004.

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

Compliance Violations¹:

4. Property has a history of violations, including:
 - a. Respondent previously signed an Agreed Final Order on February 2, 2015, agreeing to pay a \$5,000 Administrative Penalty; pay \$11,160 in delinquent compliance fees for the years 2006 through 2013; and submit corrective documentation within a series of deadlines.

The Agreed Final Order was violated. The administrative penalty was paid and monthly payments were received for the compliance fees, but all other violations remain unresolved.
 - b. Respondent has a pending contested case hearing relating to violations outlined in an Agreed Final Order that was approved by TDHCA on December 17, 2015, but was rejected by Respondent. The \$13,250 penalty has not been paid and violations remain unresolved.
5. An on-site monitoring review was conducted on January 26, 2016, 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 included a re-check of prior file monitoring violations previously identified under the 2015 Agreed Final Order. It did not include a re-check of the UPCS violations previously identified, but did remind Respondent of those prior violations. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a September 8, 2016, corrective action deadline was set, however, no reply was received and the following violations were not corrected before the deadline:

New Violations:

- a. Respondent failed to properly calculate the utility allowance for the property, a violation of 10 TAC §10.614 (Utility Allowances), which requires all developments to establish a utility allowance.
- b. Respondent failed to maintain written tenant selection criteria, a violation of 10 TAC §10.610 (Tenant Selection Criteria), which requires all developments to establish written tenant selection criteria that meet minimum TDHCA requirements.
- c. Respondent failed to post a laminated copy of the Tenant Rights and Resources Guide in a common area of the leasing office, 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.

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.

- d. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 106, 305, 401, 402, 419, 420, 513, 514, 515, 601, 804, 807, 110, 112, 403, 506, 508, 806, 811, 404, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program. Acceptable corrections were received for units 402, 419, and 514 on December 22, 2016, 105 days past the deadline, after an administrative penalty informal conference notice was sent. The findings remain unresolved for 17 units.
- e. Respondent failed to provide an Annual Eligibility Certifications for units 106, 107, 110, 112, 118, 201, 203, 204, 305, 401, 402, 403, 404, 409, 418, 506, 508, 601, 603, 702, 703, 801, 805, 807, a violation of 10 TAC §10.612 (Tenant File Requirements), which requires developments to annually collect an Annual Eligibility Certification form from each household. Acceptable corrections were received for units 201, 203, 402, and 409 on December 22, 2016, 105 days past the deadline, after an administrative penalty informal conference notice was sent. The findings remain unresolved for 20 units.
- f. Respondent failed to execute required lease provisions or exclude prohibited lease language for units 106, 107, 110, 118, 120, 203, 204, 301, 303, 305, 401, 402, 403, 404, 409, 418, 419, 420, 508, 513, 514, 603, 702, 703, 801, 804, 805, 806, 807, 813, a violation of 10 TAC §10.613 (Lease Requirements), which requires leases to include specific language protecting tenants from eviction without good cause and prohibiting owners from taking certain actions such as locking out or seizing property, or threatening to do so, except by judicial process. Acceptable corrections were received for units 107, 204, 402, 404, 409, 419, 514, 702, 703 on December 22, 2016, 105 days past the deadline, after an administrative penalty informal conference notice was sent. The findings remain unresolved for 21 units.

Repeated Violations:

- g. Respondent failed to provide documentation that household incomes were within prescribed limits upon initial occupancy for units 107, 112, 120, 201, 203, 409, 418, 503, 702, 703, 801, 805, and 813, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program. Acceptable corrections were received for units 107, 702, 703, and 801 on December 22, 2016, 105 days past the deadline, after an administrative penalty informal conference notice was sent. The findings for the rest of the units remain unresolved.
- h. 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. Required documentation includes: Entrance Interview Questionnaire to be completed in CMTS, unit status report, and written leasing criteria.

- i. Respondent paid delinquent compliance fees for the years 2006 through 2013, but failed to pay ongoing annual compliance fees for the years 2014 through 2016, totaling \$4,185, a violation of Section 7 of the LURA and Tex. Gov't Code §2306.176 and §2306.266, which permit the Department to set, charge, and collect fees.
- j. 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. An affirmative marketing plan was received in response to an administrative penalty informal conference notice, but the plan omitted the required marketing materials to prove that the development was carrying out marketing to the disabled.
- k. Respondent failed to submit Parts A and B of the Owner's Financial Certification of the 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 final parts were submitted on December 22, 2016, 236 days past the deadline.

6. The following violations remain outstanding at the time of this order:
 - a. Violations that were part of the signed Agreed Final Order dated February 2, 2015, described in FOF #4a;
 - b. Violations that were part of the Agreed Final Order, approved by the Board but not executed by Respondent, dated December 17, 2015, described in FOF #4b;
 - c. Utility allowance violation described in FOF #5.a;
 - d. Written tenant selection criteria violation described in FOF #5.b;
 - e. Tenant Rights and Resources Guide leasing violation described in FOF #5.c;
 - f. Household income violations for 17 units described in FOF #5.d;
 - g. Annual Eligibility Certification violations for 20 units described in FOF #5.e;
 - h. Lease language violations for 21 units described in FOF #5.f;
 - i. Repeated household income violations for 9 units described in FOF #5.g;
 - j. Repeated pre-onsite documentation violation described in FOF #5.h;
 - k. Repeated compliance fee violations for the years 2014, 2015, and 2016, described in FOF #5.i; and
 - l. Repeated affirmative Marketing plan violation described in FOF #5.j.

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 §10.614 in 2016, by failing to properly calculate a utility allowance;
5. Respondent violated 10 TAC §10.610 in 2016, by not maintaining written tenant selection criteria meeting TDHCA requirements;
6. Respondent violated leasing requirements in 10 TAC §10.613 in 2016, by failing to post a laminated copy of the Tenant Rights and Resources Guide in a common area of the leasing office;
7. Respondent violated Section 4 of the LURA and 10 TAC §10.611 in 2016, by failing to provide documentation that household incomes are within prescribed limits upon initial occupancy for 17 units;
8. Respondent violated 10 TAC §10.612 in 2016, by failing to collect Annual Eligibility Certifications for 20 units;
9. Respondent violated 10 TAC §10.613 in 2016, by failing to execute required lease language provisions for 21 units;
10. Respondent repeated violations of Section 4 of the LURA and 10 TAC §10.611 in 2016, by again failing to provide documentation that household incomes are within prescribed limits upon initial occupancy for 13 units;
11. Respondent repeated violations of 10 TAC §10.607 and §10.618 in 2016, by again failing to submit requested pre-onsite documentation, including an entrance interview questionnaire and a unit status report;
12. Respondent repeated violations of Section 7 of the LURA and Tex. Gov't Code §2306.176 and §2306.266, by again failing to pay required annual compliance fees, this time for the years 2014 through 2016;
13. Respondent repeated violations of 10 TAC §10.617 in 2016, by again failing to provide a complete affirmative marketing plan; and

14. Respondent repeated violations of 10 TAC §10.607 in 2016, by failing to submit Annual Owner's Compliance Report parts for the year 2015.
15. 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.
16. 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.
17. 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.
18. An administrative penalty of \$62,340 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 \$62,340, subject to potential reduction as further ordered below.

IT IS FURTHER ORDERED that prior UPCS violations are not included in the administrative penalty calculation for this Agreed Final Order, and that the administrative penalty and correction of those UPCS violations shall be addressed separately.

IT IS FURTHER ORDERED that Respondent shall fully correct the file monitoring violations as indicated in the attachments and submit full documentation of the corrections to TDHCA on or before May 1, 2017.

IT IS FURTHER ORDERED that Respondent shall pay and is hereby directed to pay \$4,185 in delinquent compliance fees for the years 2014, 2015, and 2016, by cashier's check payable to the "Texas Department of Housing and Community Affairs" on or before May 1, 2017.

IT IS FURTHER ORDERED that if Respondent timely submits payment of \$4,185 for annual compliance fees as ordered above, the amount of the assessed administrative penalty will be reduced by \$4,185, and Respondent shall pay the remaining administrative penalty totaling \$58,155 by cashier's check payable to the "Texas Department of Housing and Community Affairs" on or before May 1, 2017.

IT IS FURTHER ORDERED that if Respondent fails to submit payment of \$4,185 for annual compliance fees as ordered above, then the full administrative penalty in the amount of \$62,340 shall be immediately due and payable to the Department. Such payment shall be made by cashier's check

payable to the "Texas Department of Housing and Community Affairs" upon the earlier of (1) within thirty days of the date the Department sends written notice to Respondent that it has violated a provision of this Order, or (2) the property closing date if sold before the terms and conditions of this Agreed Final Order have been fully satisfied.

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

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

IT IS FURTHER ORDERED that Respondent shall follow the requirements of 10 TAC 10.406, a copy of which is included at Attachment 4, 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 _____, 2017.

By: _____
Name: Juan Muñoz
Title: Vice 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 28th day of February, 2017, personally appeared J. Paul Ozer, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this 28th day of February, 2017, 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

Attachment 1

File Monitoring Violation Resources and Instructions

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

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

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

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

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

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

Utility Allowance: <http://www.tdhca.state.tx.us/pmcomp/utility-allowance.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>.

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.

6. **Utility Allowance** – Property submitted a utility allowance schedule from the Harris County Public Housing Authority as corrective action, however, it is located in the City of Pasadena, which has an applicable housing authority. If you are unfamiliar with utility allowances, a copy of the utility allowance rule is at 10 TAC §10.614, and additional information regarding utility allowances are available at the link in #3 above.

- a. Implement the correct utility allowance schedule and submit a copy.
- b. Update the unit status report in CMTS to reflect the correct utility allowance, then submit the report.
- c. Ensure that gross rents charged to tenants do not exceed rental limits. When determining the appropriate rental amount, 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. TDHCA limits are available at the link in #3 above. If rents exceed limits, contact Wendy Quackenbush for further instructions.

6. **Pre-on-site documentation** - Submit:

- a. Entrance Interview Questionnaires via CMTS for 2012 and 2016. These questionnaires are in the same location as the quarterly vacancy reports in CMTS.
 - b. Delinquent quarterly vacancy reports. Quarterly reports are due on the 10th of January, April, July, and October. This report does not collect historical data; therefore, please enter your current occupancy data into CMTS, then submit that data for all quarters that are due on or before May 1, 2017. If you have any technical problems, please email a description to cmts.requests@tdhca.state.tx.us with a cc to ysella.kaseman@tdhca.state.tx.us.
7. **Written tenant selection criteria** – Submit updated written tenant selection criteria addressing all requirements at 10 TAC §10.610, including but not limited to the highlighted requirements at Attachment 2. Also submit signed Owner Certification of Corrected Noncompliance, also included at Attachment 2. A webinar presentation is available at: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>. A cheat sheet for further verification is available at <http://www.tdhca.state.tx.us/pmcdocs/15-AOCR-TSC.pdf>, however, please note that the cheat sheet was only published as an aide for annual reporting and, as such, should not be relied upon as a primary resource; you are required to follow all requirements of the rule.
8. **Tenant Rights and Resources Guide** – Submit customized version of the guide, and a letter certifying that a copy of the guide is given to all new move-ins and when there are changes made to the amenities.
9. **Lease language for units 106, 110, 118, 120, 203, 301, 303, 305, 401, 403, 418, 420, 508, 513, 603, 801, 804, 805, 806, 807, 813** – The leases did not contain required prohibitive language regarding locking out, threatening to lock out, seizing personal property, or threatening to seize personal property as required per 10 TAC §10.613(e), or contain required language that evictions or terminations of tenancy for other than good cause are prohibited as required per 10 TAC §10.613(a).

For Units 110, 118, 203, 303, 403, 418, 508, 603, 801, 805, 806, and 813:

- a. If the households occupying these units at the time of the review on 1/26/2016 remain in the units, submit for each unit a lease or addendum to the lease that contains the required language under 10 TAC §10.613. If you use TAA forms, there is a Lease Contract Addendum for Units Participating in Government Regulated Affordable Housing Programs that may be used. Please note that the lease or addendum must not be backdated.
- b. If the households occupying these units at the time of the review on 1/26/2016 have vacated the units without executing the lease/addendum with the required language, submit a letter stating that the household(s) moved out before signing, and providing the move-out date(s).

For Units 106, 120, 301, 305, 401, 420, 513, 804, 807: Corrective documentation indicated that the households occupying these units at the time of the review on 1/26/2016 have vacated the units without executing the lease/addendum with the required language. These findings are uncorrectable.

10. **Affirmative marketing plan** – Submit complete Affirmative Marketing Plan along with outreach marketing materials, as indicated below. A webinar presentation is available at: <http://www.tdhca.state.tx.us/pmcomp/presentations.htm>.

Frequent problems observed by TDHCA that cause plans to be rejected 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: African Americans, Native Americans, Alaskan Natives, Asians, Native Hawaiians, Other Pacific Islanders, Caucasians (non-Hispanic), Hispanics or Latinos, families with children, and the disabled. 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.

To correct:

- a. Identify the appropriate housing market in which outreach efforts will be made;
- b. Ensure that quarterly vacancy reports are up to date in CMTS. The Affirmative Marketing Web Tool discussed below compares data from those reports to census data, so it is vital that the information in the report is current in order to return accurate results.
- c. Determine the groups that are least likely to apply. 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>. If you use this Tool, you may rely upon the results. Persons with disabilities must always be selected as a group least likely to apply.
- d. Identify 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, including organizations that assist persons with disabilities. For example, a local housing authority serves the general public, not a specific racial or ethnic demographic; therefore, marketing to the housing authority is not affirmative marketing. The same is true for the Department Of Human Services and Texas Work Force Solutions. A Hispanic Chamber of Commerce or Hispanic publication could be an avenue to market to the Hispanic population if that group is identified as one that is least likely to apply. Similarly, local groups that focus on helping the mentally disabled, physically disabled, disabled veteran affairs groups, etc, could be a way to market to the disabled community. Some examples of groups that focus on the disabled: Easter Seals, United Cerebral Palsy, American Council of the Blind, The Blinded Veterans Association.

- e. Complete and execute an affirmative marketing plan using any version of HUD Form 935.2A, including the groups and organizations identified above;
 - f. Comply with all requirements of 10 TAC §10.617, which we recommend using as a checklist;
 - g. Send marketing outreach materials 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 completar el proceso de aplicacion deben comunicarse con el Administrador del apartment al XXX-XXX-XXXX."*
 - h. Submit all documentation to the Department via CMTS for review, including the Affirmative Marketing Plan, Affirmative Marketing Web Tool (if used), and marketing outreach materials.
- 7. Household income and annual eligibility certification violations** – Corrective documentation was received 12/22/2016, and the following instructions are based upon TDHCA's review of those corrections. Where no corrections were received, instructions below are based upon the original monitoring letter from 1/27/2016. "AEC" stands for "Annual Eligibility Certification". If the circumstances described below for a specific household no longer apply, follow the instructions in the table on page 16. You must respond for every unit listed below.
- a. Unit 106 – Unit is vacant. To correct, follow instructions in table below.
 - b. Unit 107 – The household's initial Income Certification form was submitted which is not sufficient. To correct, have the household complete a current AEC and submit.
 - c. Unit 110 – A new household has moved in and appears to be income eligible. However, the new household's lease contract and lease addendum was not submitted. To correct, submit the lease contract and lease addendum. See #9 above for details regarding lease addendum requirements in order to ensure that lease and lease addendum are complete.
 - d. Unit 112 – A new household has moved in and appears to be income eligible. However, the new household's lease contract was not submitted. To correct, submit the lease contract and lease addendum. See #9 above for details regarding lease addendum requirements in order to ensure that lease and lease addendum are complete.
 - e. Unit 118 - Documentation was not submitted for this unit. If the household present during the 1/27/2016 review remains in the unit, submit a current AEC. If that household has vacated or does not qualify for occupancy, follow instructions in the table at page 16.
 - f. Unit 120 - At the time of the 1/27/2016 review, the household was over income. Follow instructions in the table at page 16.
 - g. Unit 201 – No file was available for review during the 1/27/2016 onsite. Follow instructions in the table below.
 - h. Unit 203 - At the time of the 1/27/2016 review, the household was over income. Follow instructions in the table at page 16.
 - i. Unit 204 – The household executed a blank AEC, which is insufficient. To correct, have the household fully complete an AEC and submit.
 - j. Unit 305 - Unit is vacant. To correct, follow instructions in the table at page 16.
 - k. Unit 401 - Unit is vacant. To correct, follow instructions in the table at page 16.

- l. Unit 403 – The household present at the time of the 1/27/2017 review disclosed employment income on their application, but the file did not include verification of income. To correct, either: 1) complete a retroactive income certification that completely and clearly documents the sources of income and assets, using third party or firsthand verifications that were in place at the time the initial certification should have been effective. Also complete a current AEC. Submit a copy of the original application, income and asset verifications, updated certification, and AEC for review; or 2) complete a new certification using current income and asset sources and current income limits. Submit to the Department copies of the current application, third party or firsthand income/asset verification(s), new Income Certification, Lease/Lease Addendum and Tenant Rights and Resources Guide acknowledgement. If the household has moved out or is not eligible, follow instructions in the table at page 16.
- m. Unit 404 – At the time of the 1/27/2016 review, the household was over income. Follow instructions in the table at page 16. Also submit current AEC if household now qualifies under current circumstances.
- n. Unit 409 – The household present at the time of the 1/27/2017 review disclosed employment income on their application, but the file did not include verification of income. To correct, either: 1) complete a retroactive income certification that completely and clearly documents the sources of income and assets, using third party or firsthand verifications that were in place at the time the initial certification should have been effective. Submit a copy of the original application, income and asset verifications, updated certification for review; or 2) complete a new certification using current income and asset sources and current income limits. Submit to the Department copies of the current application, third party or firsthand income/asset verification(s), new Income Certification, Lease/Lease Addendum and Tenant Rights and Resources Guide acknowledgement. If the household has moved out or is not eligible, follow instructions in the table at page 16.
- o. Unit 418 – During the 1/27/2016 review, Department staff noted that a new household moved in on 11/1/2012 and the file contained an Income Certification form and two paystubs with white out. Department staff could not determine eligibility. To correct, either: 1) complete a retroactive income certification that completely and clearly documents the sources of income and assets, using third party or firsthand verifications that were in place at the time the initial certification should have been effective. Also complete a current AEC. Submit a copy of the original application, income and asset verifications, updated certification, and AEC for review; or 2) complete a new certification using current income and asset sources and current income limits. Submit to the Department copies of the current application, third party or firsthand income/asset verification(s), new Income Certification, Lease/Lease Addendum and Tenant Rights and Resources Guide acknowledgement. If the household has moved out or is not eligible, follow instructions in the table at page 16.
- p. Unit 420 - Unit is vacant. To correct, follow instructions in the table at page 16.
- q. Unit 503 – Unit status reports indicated this unit was vacant the day of the 1/27/2016 monitoring review. To correct, follow instructions in the table at page 16.
- r. Unit 506 - Unit is vacant. To correct, follow instructions in the table at page 16.
- s. Unit 508 - At the time of the 1/27/2016 review, the household was over income. Follow instructions in the table at page 16. Also submit current AEC if household now qualifies under current circumstances.
- t. Unit 513 - Unit is vacant. To correct, follow instructions in the table at page 16.
- u. Unit 515 - Unit is vacant. To correct, follow instructions in the table at page 16.
- v. Unit 601 - Unit is vacant. To correct, follow instructions in the table at page 16.

- w. Unit 603 - Documentation was not submitted for this unit. If the household present during the 1/27/2016 review remains in the unit, submit a current AEC. If that household has vacated or does not qualify for occupancy, follow instructions in the table at page 16.
- x. Unit 702 - The household executed a blank Annual Eligibility Certification (AEC) which is insufficient. To correct, have the household fully complete AEC form and submit.
- y. Unit 703 - The household executed a blank Annual Eligibility Certification (AEC) which is insufficient. To correct, have the household fully complete AEC form and submit.
- z. Unit 801 - Documentation was not submitted for this unit. If the household present during the 1/27/2016 review remains in the unit, submit a current AEC. If that household has vacated or does not qualify for occupancy, follow instructions in the table at page 16.
- aa. Unit 804 - Unit is vacant. To correct, follow instructions in the table at page 16.
- bb. Unit 805 - The income verification form present during the 1/27/2016 review was not legible and the Department staff could not determine eligibility. To correct, either: 1) complete a retroactive income certification that completely and clearly documents the sources of income and assets, using third party or firsthand verifications that were in place at the time the initial certification should have been effective. Also complete a current AEC. Submit a copy of the original application, income and asset verifications, updated certification, and AEC for review. Do not back date these forms; or 2) complete a new certification using current income and asset sources and current income limits. Submit to the Department copies of the current application, third party or firsthand income/asset verification(s), new Income Certification, Lease/Lease Addendum and Tenant Rights and Resources Guide acknowledgement. If the household has moved out or is not eligible, follow instructions in the table at page 16.
- cc. Unit 806 - The household did not execute a 2015 Income Certification form at move-in. To correct, either: 1) complete a retroactive income certification that completely and clearly documents the sources of income and assets, using third party or firsthand verifications that were in place at the time the initial certification should have been effective. Submit a copy of the original application, income and asset verifications, and updated certification for review. Do not back date these forms; or 2) complete a new certification using current income and asset sources and current income limits. Submit to the Department copies of the current application, third party or firsthand income/asset verification(s), new Income Certification, Lease/Lease Addendum and Tenant Rights and Resources Guide acknowledgement. If the household has moved out or is not eligible, follow instructions in the table at page 16.
- dd. Unit 807 - Unit is vacant. To correct, follow instructions in the table at page 16.
- ee. Unit 811 - At the time of the 1/27/2016 review, the unit was vacant, and the prior household was over income. Follow instructions in the table at page 16.
- ff. Unit 813 - At the time of the 1/27/2016 review, the file did not contain an executed Income Certification form. To correct, either: 1) complete a retroactive income certification that completely and clearly documents the sources of income and assets, using third party or firsthand verifications that were in place at the time the initial certification should have been effective. Also complete a current AEC. Submit a copy of the original application, income and asset verifications, updated certification, and AEC for review. Do not back date these forms; or 2) complete a new certification using current income and asset sources and current income limits. Submit to the Department copies of the current application, third party or firsthand income/asset verification(s), new Income Certification, Lease/Lease Addendum and Tenant Rights and Resources Guide acknowledgement. If the household has moved out or is not eligible, follow instructions in the table at page 16.

Circumstance with respect to units listed on pages 13 - 15	Instruction
If (1) unit is occupied by a household that was previously over the income limit, but circumstances have changed and the household now qualifies, or (2) the household file was originally missing but the household qualifies for occupancy	Recertify the household by collecting a new application, new tenant income certification, and verifying all sources of income and assets. Submit full tenant file*.
If unit is occupied by a new qualified household that occupied unit after 1/27/2016	Submit the full tenant file*.
If unit is occupied by a nonqualified household on a month-to-month lease	<p>A. Follow your normal procedures for terminating residency and provide a copy of documentation to TDHCA.**</p> <p>B. As soon as the unit is occupied by a qualified household, you must submit the full tenant file*. Receipt after 5/1/2017 is acceptable for this circumstance provided that Requirement A above is fulfilled.</p>
If unit is occupied by a nonqualified household with a non-expired lease	<p>A. Issue a nonrenewal notice to tenant and provide a copy to TDHCA.**</p> <p>B. As soon as the unit is occupied by a qualified household, you must submit the full tenant file*. Receipt after 5/1/2017 is acceptable for this circumstance provided that Requirement A above is fulfilled.</p>
If unit has been vacant <i>more than</i> 30 days	<p>A. Unit must be made ready for occupancy and a letter certifying to that effect must be submitted to TDHCA.</p> <p>B. As soon as the unit is occupied by a qualified household, you must submit the full tenant file*. Receipt after 5/1/2017 is acceptable for this circumstance provided that Requirement A above is fulfilled.</p>
If unit has been vacant <i>less than</i> 30 days	<p>A. If unit is ready for occupancy, a letter certifying to that effect must be submitted to TDHCA.</p> <p>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).</p> <p>C. As soon as the unit is occupied by a qualified household, you must submit the full tenant file*. Receipt after 5/1/2017 is acceptable for this circumstance provided that Requirements A and B above are fulfilled.</p>

*Full tenant file must include: tenant application, verifications of all sources of income and assets, tenant income certification, lease, lease addendum, and Tenant Rights and Resources Guide Acknowledgment.

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

http://texreg.sos.state.tx.us/public/readtac&ext=TacPage?sl=R&app=9&dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=10&rl=610

Attachment 2

10 TAC 10.610 Written Policies and Procedures

Highlighted areas missing from current criteria. Also sign and date the attached certification.

<u>TITLE 10</u>	COMMUNITY DEVELOPMENT
<u>PART 1</u>	TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
<u>CHAPTER 10</u>	UNIFORM MULTIFAMILY RULES
<u>SUBCHAPTER F</u>	COMPLIANCE MONITORING
<u>§10.610</u>	WRITTEN POLICIES AND PROCEDURES

§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.

- (a) Applicants must be provided the names of any third party screening companies upon request.
- (C) Occupancy Standards. If fewer than 2 persons (over the age of 6) per bedroom for each rental unit are required for reasons other than those directed by local building code or safety regulations, a written justification must be provided.
- (D) The following statements:
 - (i) The Development will comply with state and federal fair housing and antidiscrimination laws; including, but not limited to, consideration of reasonable accommodations requested to complete the application process. Chapter 1, Subchapter B of this title provides more detail about reasonable accommodations.
 - (ii) Screening criteria will be applied in a manner consistent with all applicable laws, including the Texas and Federal Fair Housing Acts, the Federal Fair Credit Reporting Act, program guidelines, and the Department's rules.
 - (iii) Specific animal, breed, number, weight restrictions, pet rules, and pet deposits will not apply to households having a qualified service/assistance animal(s).
- (E) Notice to applicants and current residents about Violence Against Women Reauthorization Act of 2013 ("VAWA") protections.
- (F) Specific age requirements if the Development is operating as Housing for Older Persons under the Housing for Older Persons Act of 1995 as amended (HOPA), or as required by federal funds to have an Elderly Preference, and in accordance with a LURA.
- (2) The criteria must not:
 - (A) Include preferences for admission, unless such preference is:
 - (i) Allowed for under program rules; or,
 - (ii) The property receives Federal assistance and has received written approval from HUD, USDA, or VA for such preference.
 - (B) Exclude an individual or family from admission to the Development solely because the household participates in the HOME Tenant Based Rental Assistance Program, the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. §1-437), or other federal, state, or local government rental assistance program. 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.
- (c) Reasonable Accommodations Policy. Owners must maintain a written Reasonable Accommodations policy. The policy must be maintained at the Development. Owners are responsible for ensuring that their employees and contracted third party management companies are aware of and comply with the reasonable accommodation policy.
 - (1) The policy must provide:

- (A) Information on how an applicant or current resident with a disability may request a reasonable accommodation; and,
 - (B) A timeframe in which the Owner will respond to a request.
- (2) The policy must not:
- (A) Require a household to make a reasonable accommodation request in writing;
 - (B) Require a household to provide specific medical or disability information other than the disability verification that may be requested to verify eligibility for reasonable accommodation or special needs set aside program;
 - (C) Exclude a household with person(s) with disabilities from admission to the Development because an accessible unit is not currently available; or,
 - (D) Require a household to rent a unit that has already been made accessible.
- (d) Wait List Policy. Owners must maintain a written wait list policy, regardless of current unit availability. The policy must be maintained at the Development.
- (1) The policy must include procedures the Development uses in:
- (A) Opening, closing, and selecting applicants from the 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; and,
 - (B) Contact information for any third parties that provided the information on which the rejection was based and information on the appeals process, if one is used by the property.
 - (3) The Development must keep a log of all denied applicants that completed the application process to include:

- (A) Basic household demographic and rental assistance information, if requested during any part of the application process;
 - (B) The specific reason for which an applicant was denied, the date the decision was made; and,
 - (C) The date the denial notice was mailed or hand-delivered to the applicant.
- (4) A file of all rejected applications must be maintained the length of time specified in the applicable program's recordkeeping requirements and include:
- (A) A copy of the written notice of denial; and,
 - (B) The Tenant Selection Criteria policy under which an applicant was screened.
- (f) Non-renewal and/or Termination Notices. Owners must maintain a written policy regarding procedures for providing households non-renewal and termination notices.
- (1) The owner must provide in any non-renewal or termination notice, a specific reason for the termination or non-renewal.
 - (2) The notification must:
 - (A) Be delivered as required under applicable program rules;
 - (B) Include information on rights under VAWA;
 - (C) State how a person with a disability may request a reasonable accommodation in relation to such notice; and,
 - (D) Include information on the appeals process if one is used by the property.
- (g) **Unit Transfer Policies. Owners must maintain a written policy regarding procedures for households to request a unit transfer. The policy must address the following:**
- (1) **How security deposits will be handled for both the current unit and the new unit;**
 - (2) **How transfers related to a reasonable accommodation will be addressed; and,**
 - (3) **For HTC Developments, how transfers will be handled with regard to the multiple building project election on IRS Form(s) 8609 line 8(b) and accompanying statements in accordance with §10.616 of this subchapter, concerning Household Unit Transfer Requirements for All Programs.**

Texas Department of Housing and Community Affairs
Owner Certification of Corrected Noncompliance

Development Name: Southmore Park Apartments, Ltd CMTS ID: 1204

The above referenced Development was monitored on January 27, 2016 to determine if the Development is in compliance with the requirements of the Housing Tax Credit program. The review resulted in a finding of noncompliance under Title 10, Chapter 10, Subchapter F related to Compliance Monitoring, §10.610, Written Policies and Procedures. Please see attached Findings Report for details as to the specific policy/procedure affected and the reason for which the noncompliance was cited. **Update that policy/procedure as detailed and submit a copy of the updated policy/procedure, with a revised effective date as required under the rule, to support this certification.**

Under 10 TAC §2.401(c)(1), *The Department may debar any Responsible Party who has materially or repeatedly violated any condition imposed by the Department in connection with the administration of a Department program, including a material or repeated violation of a land use restriction agreement (LURA) regarding a development supported with a housing tax credit allocation.* Repeated failure to comply with the provisions prescribed in §10.610 may be considered a material violation of the LURA. Owners that repeatedly and materially violate their LURAs will be recommended for debarment from participation in programs administered by the Department. A copy of §10.610 is attached to ensure ongoing compliance.

I, _____, on behalf of Southmore Park Apts, am a duly authorized representative, who is so authorized by reason of my position as _____ to hereby certify, as true and correct, that the above referenced noncompliance related to §10.610 has been corrected in the manner described and that all required written policies and procedures under §10.610 are fully compliant with the rule. If at the next onsite review, there has been not been an ownership transfer and this event of noncompliance is cited again, I understand that the owner will be recommended for debarment.

Signature of Authorized Owner Representative

Date

Warning: Title 18, Section 1001 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency in the United States as to any matter within its jurisdiction.

TDHCA
December 2016

Attachment 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 Training in order to get a full overview of the process. Sign up at <http://www.tdhca.state.tx.us/pmcomp/COMPtrain.html>. Forms discussed below are available at: <http://www.tdhca.state.tx.us/pmcomp/forms.htm>.

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

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

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

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

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

A representative of the household must receive a copy of the Tenant Rights and Resources Guide and sign an acknowledgment of receipt of the brochure prior to, but no more than 120 days prior to, the initial lease execution date. A copy of the acknowledgment form is available at: <http://www.tdhca.state.tx.us/pmcdocs/FairHousingDisclosureSignaturePage.pdf>.

Attachment 4:

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



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
J. Paul Oxer, Chair
Juan S. Muñoz, PhD, Vice Chair
Leslie Bingham-Escareño
T. Tolbert Chisum
Tom H. Gann
J.B. Goodwin

March 3, 2017

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

SOUTHMORE PARK APARTMENTS, LTD.
ATTN: CHARLES V MILLER JR
9002 CHIMNEY ROCK RD, #312
HOUSTON, TX 77096

CERTIFIED MAIL NO.: INSERT #
RETURN RECIEPT REQUESTED
AND FIRST CLASS MAIL

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

CERTIFIED MAIL NO.: INSERT #
RETURN RECIEPT REQUESTED
AND FIRST CLASS MAIL

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

CERTIFIED MAIL NO.: INSERT #
RETURN RECIEPT REQUESTED
AND FIRST CLASS MAIL

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

NOTICE OF VIOLATION

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

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



INSTRUCTIONS – PLEASE READ:

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

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

1. **SIGN AND RETURN THE ATTACHED AGREED FINAL ORDER;**
2. **PAY THE ADMINISTRATIVE PENALTY IN THE AMOUNT OF \$62,340;**
3. **SUBMIT DOCUMENTATION PROVING THAT THE OUTSTANDING VIOLATIONS OUTLINED IN THE ATTACHMENTS HAVE BEEN CORRECTED.**

RETURN TO:

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

HOW TO CONTEST THIS RECOMMENDED PENALTY:

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

RETURN TO:

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

IF YOU DO NOT RESPOND:

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

In addition, there are past unresolved violations that are not part of the above referenced Agreed Final Order, but must be addressed. These violations include:

1. Unresolved Uniform Physical Condition Standards (“UPCS”) violations found during 2015, and included in an Agreed Final Order approved by TDHCA’s governing board on December 15, 2015. Respondent chose not to sign this Order and his counsel was notified that a formal hearing at the State Office of Administrative Hearings (“SOAH”) would be placed on hold while a file monitoring review was completed. These 2015 UPCS violations must be addressed, either by signing the December, 15, 2015 Order and complying with its terms, or by proceeding with a hearing at SOAH. If neither the 2015 nor the 2017 Orders are signed, the cases will be combined into a single hearing at SOAH.
2. Unresolved UPCS violations found during 2012 that were part of an Agreed Final Order signed by Respondent on February 2, 2015. Corrective documentation for these violations should also be submitted in order to bring the property into compliance and avoid future penalty findings.

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

Sincerely,

Timothy K. Irvine
Executive Director

TKI/ytk

Attachments:

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

Attachment 1

Report to the Board

(see attached)

Attachment 2

Agreed Final Order

(see attached)

1d

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action to approve a material amendment to the Housing Tax Credit (“HTC”) Land Use Restriction Agreement (“LURA”) for Sterling Green Village (aka SGV Investment Homes, HTC# 94193)

RECOMMENDED ACTION

WHEREAS, Sterling Green Village (the “Development”) received an award of 9% Housing Tax Credits in 1994 to construct 150 multifamily units in Channelview, Harris 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;

WHEREAS, the LURA for the Development currently requires a 90-day ROFR period to sell the Development to a qualified nonprofit organization within the meaning of §42(h)(5)(C) of the Internal Revenue Code or to a tenant organization;

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;

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

WHEREAS, 10 TAC §10.405(b)(2) allows for an owner to request a material LURA amendment, and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board;

NOW, therefore, it is hereby

RESOLVED, that the material LURA amendment for Sterling Green Village 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

Sterling Green Village was approved in 1994 for the new construction of 150 multifamily units in Channelview, Harris County. In a letter dated November 18, 2016, SGV Investment Homes, Ltd. (the “Development Owner”) through its General Partner (Craft Homes Co. – W. Barry Kahn, President) requested approval to amend the LURA to replace the current 90-day ROFR period with a 180-day ROFR

period and incorporate changes made to statute which would permit the re-syndication and sale of the Development to a Qualified Entity.

The current LURA for the Development requires the Development Owner to provide a 90-day ROFR 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 15th year of the Compliance Period the owner decides to sell the property.

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 define and allow for a Qualified Entity to purchase a development under a ROFR provision of the LURA and satisfy the ROFR requirement. It is worth noting that while Qualified Entity was newly defined in HB 3576 and incorporated into statute, the set order of priority related to the specific types of nonprofit organizations that would have a right to purchase a property under the ROFR provision was not eliminated or changed. 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 2016 Post Award and Asset Management Requirements implemented administrative procedures to allow a Development Owner to conform to the new ROFR provisions described in the amended statute.

The Development Owner must comply 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 31, 2017, at 10:30 am at the Development's management office/clubhouse.

Staff recommends approval of the material LURA amendment request, subject to no negative public comment received, as presented herein.

**SGV Investment Homes, Ltd.
5325 Katy Freeway, Suite One
Houston Texas 77007**

November 18, 2016

VIA EMAIL LUCY.TREVINO@TDHCA.STATE.TX.US

Lucy Trevino
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: TDHCA File No. 94193 Sterling Green Village (the "Property")

Dear Ms. Trevino:

The undersigned, being the General Partner (herein so called) of SGV Investment Homes, Ltd., a Texas limited partnership (the "Partnership/Owner") and the current owner of the Property, hereby submits this letter as a request for a material LURA amendment in accordance with Section 10.405(b) of the Rules for the reasons set forth below.

Background Information and Request

In 2015, Texas Government Code Section 2306.6726 was amended to allow for a 180-day Right of First Refusal ("ROFR") period, resyndication, and the sale to qualified entities. Currently, the LURA for this Property requires a 90-day ROFR period. Section 10.405(b)(2)(F) of the Rules allows for a LURA amendment in order to conform a ROFR to the provisions in Section 2306.6726. Therefore the General Partner, acting on behalf of the Partnership, requests a LURA amendment to eliminate the 90-day ROFR period and replace it with the 180-day ROFR period, also permitting resyndication and sale to qualified entities.

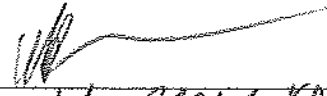
LURA Amendment

In accordance with Section 10.405(b) of the Rules, the General Partner, acting on behalf of the Partnership, is delivering a fee in the amount of \$2500. In addition, the General Partner, acting on behalf of the Partnership, commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials. Drafts of the public hearing notices are attached for your consideration. Upon approval from TDHCA, the General Partner, acting on behalf of 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 General Partner, acting on behalf of the Partnership, requests staff recommendation, in support of this request, to be considered at the next available TDHCA Board meeting.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

Craft Homes Co.

By: 
Name: W. BARRY KAHN
Title: PRESIDENT

**SGV Investment Homes, Ltd.
1177 West Loop South, Suite 1475
Houston Texas 7702**

January 17, 2017

Dear Resident:

The Sterling Green Village (the "**Community**") is owned by SGV Investment Homes, Ltd. (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, a right of first refusal requires the Owner to offer the Community for sale to a non-profit organization or a tenant organization for a period of up 90-days. Recent changes in Texas law allow for changes to the right of first refusal requirement, including changing the 90-day period to a 180-day period and permitting the Owner to transfer the Community to certain kinds of entities in the right of first refusal process. The Owner is asking TDHCA to modify its contract so that these changes permitted by Texas law will apply.

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. This meeting will take place at the Community's management office/clubhouse on January 31, 2017 at 10:30 a.m.

Please note that this proposal would not affect your current lease agreement, your rent payment, or your security deposit. You would *not* be required to move out of your home or take any other action because of this change. If the Department approves 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.managment@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

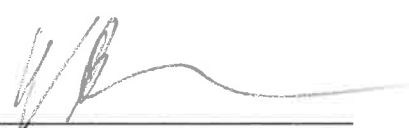
We appreciate that Sterling Green Village is your home and we invite you to attend and give your input on this proposal.

Thank you for choosing Sterling Green Village as your home.

Sincerely,

SGV Investment Homes, Ltd.

By: Craft Homes Co.,
its general partner

By: 
Name: W. Barry Kahn
Title: President

**SGV Investment Homes, Ltd.
1177 West Loop South, Suite 1475
Houston Texas 7702**

January 17, 2017

Representative Ana Hernandez
Texas House of Representatives
District 143
1233 Mercury Drive
Houston, Texas 77029

Dear Representative Hernandez:

SGV Investment Homes, Ltd. (the “**Owner**”) is the owner of the Sterling Green Village (the “**Community**”) which is located at 938 Stevenage Lane, Channelview, Texas 77530. 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**”).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, a right of first refusal requires the Owner to offer the Community for sale to a non-profit organization or a tenant organization for a period of up to 90-days. Recent changes in Texas law allow for changes to the right of first refusal requirement, including changing the 90-day period to a 180-day period and permitting the Owner to transfer the Community to certain kinds of entities in the right of first refusal process. The Owner is asking TDHCA to modify its contract so that these changes permitted by Texas law will apply.

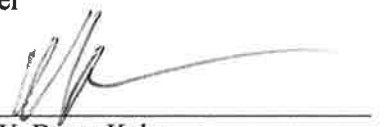
In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on January 31, 2017 at 10:30 a.m.

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

Sincerely,

SGV Investment Homes, Ltd.

By: Craft Homes Co.,
its general partner

By: 
Name: W. Barry Kahn
Title: President

**SGV Investment Homes, Ltd.
1177 West Loop South, Suite 1475
Houston Texas 7702**

January 17, 2017

Mr. Thomas Russell
Walker & Dunlop
10620 Providence Green Drive
Ashland, VA 23005

Dear Mr. Russell:

Sterling Green Village (the “**Owner**”) is the owner of SGV Investment Homes, Ltd. (the “**Community**”), which is located at 938 Stevenage Lane, Channelview, Texas 77530. 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**”).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, a right of first refusal requires the Owner to offer the Community for sale to a non-profit organization or a tenant organization for a period of up 90-days. Recent changes in Texas law allow for changes to the right of first refusal requirement, including changing the 90-day period to a 180-day period and permitting the Owner to transfer the Community to certain kinds of entities in the right of first refusal process. The Owner is asking TDHCA to modify its contract so that these changes permitted by Texas law will apply.


In making its decision whether to approve Owner’s request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community’s management office/clubhouse on January 31, 2017 at 10:30 a.m.

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

Sincerely,

SGV Investment Homes, Ltd.

By: Craft Homes Co.,
its general partner

By: 
Name: W. Barry Kahn
Title: President

SGV

Sign In Sheet
January 31, 2017
TDHCA Public Hearing
Resident Meeting

1. Alan Jack
2. Nancy Piercefield
3. Shumetra Spick
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____
16. _____
17. _____
18. _____
19. _____
20. _____

Meeting held by Georganne Congrica, Property Supervisor
& VP of Hettig Management.



STERLING GREEN VILLAGE

Meeting Minutes – January 31, 2017

The meeting was called to order by Georgeanne Longoria, Property Supervisor and Vice-President of Hettig Management. The only question asked was whether the management staff would change if the ROFR amendment passed. Ms. Longoria assured the tenants the management staff would stay intact.

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action to approve a material amendment to the Housing Tax Credit (“HTC”) Land Use Restriction Agreement (“LURA”) for Rio Grande Ranch (aka Villa Del Rio, HTC #98135)

RECOMMENDED ACTION

WHEREAS, Rio Grande Ranch (the “Development”) received a 9% Housing Tax Credit (“HTC”) award in 1998 to construct 226 multifamily units in Laredo, Webb 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 for having a Historically Underutilized Business (“HUB”), namely Replacement GP 3, LLC, participate in the ownership of the Development;

WHEREAS, the LURA for the Development requires a two-year Right of First Refusal (“ROFR”) period and requires that throughout the Compliance Period, unless otherwise permitted by the Department, the HUB shall remain the Managing General Partner, and must maintain regular, continuous, and substantial participation in the development, operation and ownership of the Development;

WHEREAS, the Development is within the extended Compliance Period, as defined in the LURA;

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, 10 TAC §10.406(g) allows for a HUB requirement to be removed if the HUB will maintain its ownership interest but is unable to maintain its HUB status, as long as the LURA does not require such continual ownership or a material LURA amendments is approved;

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 to eliminate the HUB requirement; and

WHEREAS, 10 TAC §10.405(b)(2) allows for an owner to request a material LURA amendment, and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board;

NOW, therefore, it is hereby

RESOLVED, that the material LURA amendment to eliminate the HUB and adopt the current statutory requirements for ROFR for Rio Grande Ranch 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

Rio Grande Ranch (aka Villa Del Rio) was approved in 1998 for a 9% HTC award to construct 226 multifamily units in Laredo, Webb County. In a letter dated December 7, 2016, Villa Del Rio, Ltd. (the "Development Owner") through its Managing General Partner (Replacement GP 3 LLC, – Cathy Story) requested approval to amend the LURA related to the ROFR provision and to eliminate the requirement for a HUB to remain as the Managing General Partner and to maintain regular, continuous, and substantial participation in the development and operation of the Development.

The additional use restrictions in the current LURA require, among other things, an extended 25 year Compliance Period, material participation by a HUB throughout the Compliance Period and 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.

According to the General Partner, the request to remove the HUB requirement from the LURA for this Development is to facilitate a proposed re-syndication and sale to a qualified entity, although no details were provided to staff regarding the timing of when this would occur. However, the letter suggests that the current HUB General Partner will continue to participate in the development, although without its HUB status, until the proposed re-syndication and sale is effectuated.

In 2015, the Texas Legislature passed HB 3576 which amended Tex. Gov't Code §2306.6726 to allow for a 180-day ROFR period and to allow for a Qualified Entity to purchase a development under a ROFR provision of the LURA and satisfy the ROFR requirement. It is worth noting that while Qualified Entity was newly defined in HB 3576 and incorporated into statute, the set order of priority related to the specific types of nonprofit organizations that would have a right to purchase a property under the ROFR provision was not eliminated or changed. 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 2016 Post Award and Asset Management Requirements implemented administrative procedures to allow a Development Owner to conform to the new ROFR provisions described in the amended statute.

The Development Owner must comply with the amendment and notification requirements under the Department's rule at Tex. Gov't Code §2306.6712 and 10 TAC §10.405(b). A public hearing on the matter was held Thursday, January 5, 2017, at 1:30pm at the Development's management office/clubhouse. No negative public comment was received.

Staff recommends approval of the requested material LURA amendment.

VILLA DEL RIO, LTD.
509 Ellen Powell Drive
Prairie View, Texas 77446

December 7, 2016

VIA HAND DELIVERY

Raquel Morales
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: TDHCA File No. 98135; Villa Del Rio Apartments (the "**Property**")

Dear Raquel:

The undersigned is the General Partner (herein so called) of Villa Del Rio, Ltd., 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: (1) remove the ongoing requirement for HUB participation and (2) modify the two-year Right of First Refusal ("**ROFR**") period.

Request for HUB Restriction Removal

The LURA for this Property requires ownership participation by a Historically Underutilized Business (a "**HUB**"). Replacement GP Meadowbrook LLC, a Texas limited liability company ("**RGM**") is a HUB and has been serving in such capacity since the replacement of the original HUB partner, DSD Development, Inc., in November, 2016 and subsequently approved by TDHCA. The General Partner, acting on behalf of the Partnership, requests that TDHCA remove the HUB requirement from its LURA to facilitate a proposed resyndication and sale to a qualified entity.

Section 10.406(f) of the Rules recognizes that a LURA can be amended or remove the ongoing HUB participation requirement. The General Partner asks TDHCA to approve this amendment to facilitate the removal of the HUB restriction. In accordance with the Rules, the General Partner certifies to TDHCA as follows:

(1) RGM was not removed from its position and is acting of its own volition in making this request.

(2) RGM's participation as the HUB with regard to the Property is substantive and meaningful, and will continue to be so until the proposed resyndication and sale to a qualified entity is effectuated.

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)(F) 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, also permitting a proposed resyndication and sale to a qualified entity.

LURA Amendment


In accordance with Section 10.405(b) of the Rules, the General Partner, acting on behalf of the Partnership, is delivering a fee in the amount of \$2500. In addition, the General Partner, acting on behalf of the Partnership, commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials as to these proposed amendments. Drafts of the public hearing notices are attached for your consideration. Upon approval from TDHCA, the General Partner, acting on behalf of 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 General Partner, acting on behalf of the Partnership, requests staff recommendation, in support of this request, to be considered at the January 26, 2017 TDHCA Board meeting.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

REPLACEMENT GP 3 LLC,
a Texas limited liability company

By:



Cathy Story, Manager

VILLA DEL RIO, LTD.
509 Ellen Powell Drive
Prairie View, Texas 77446

December 22, 2016

Dear Resident:

Villa Del Rio Apartments (the "**Community**") is owned by Villa Del Rio, Ltd. (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).

The Owner is currently structured to include Replacement GP 3 LLC, a Texas limited liability company ("**General Partner**") as the general partner and Replacement GP Meadowbrook, LLC, a Texas limited liability company ("**RGM**"), as a State of Texas certified Historically Underutilized Business (a "**HUB**"). A contractual restriction imposed by TDHCA mandated that a HUB participate in the ownership of the Community for a designated period of time. The Owner desires to have this provision removed from its contract to facilitate a proposed sale to a qualified entity and, therefore, is requesting the Department's approval to remove the ongoing requirement for HUB participation from its contract.

Additionally, 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.

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 **Thursday, January 5, 2017 at 1:30 p.m.** Information from this meeting will be submitted for consideration by the Texas Department of Housing and Community Affairs Governing Board at their January 26, 2017 meeting.

Please note that this proposal would not affect your current lease agreement, your rent payment, or your security deposit. You would **not** be required to move out of your home or take any other action because of this change. If the Department approves 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 Villa Del Rio Apartments is your home and we invite you to attend and give your input on this proposal.

Thank you for choosing Villa Del Rio Apartments as your home.

Sincerely,

VILLA DEL RIO, LTD.,
a Texas limited partnership

By: REPLACEMENT GP 3 LLC,
a Texas limited liability company,
its general partner

By: 

Cathy Story, Manager

VILLA DEL RIO, LTD.
509 Ellen Powell Drive
Prairie View, Texas 77446

December 22, 2016

Senator Judith Zaffirini
Texas State Senate District 12
P.O. Box 627
Laredo, Texas 78042

RE: Villa Del Rio Apartments

Dear Senator Zaffirini:

Villa Del Rio, Ltd. (the "**Owner**") is the owner of Villa Del Rio Apartments (the "**Community**") which is located at 409 Riverhill Loop, Laredo, TX 78046. 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**").

The Owner is currently structured to include Replacement GP 3 LLC, a Texas limited liability company ("**General Partner**") as the general partner and Replacement GP Meadowbrook, LLC, a Texas limited liability company ("**RGM**"), as a State of Texas certified Historically Underutilized Business (a "**HUB**"). A contractual restriction imposed by TDHCA mandated that a HUB participate in the ownership of the Community for a designated period of time. The Owner desires to have this provision removed from its contract to facilitate a proposed sale to a qualified entity and, therefore, is requesting the Department's approval to remove the ongoing requirement for HUB participation from its contract.

Additionally, 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.

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 **Thursday, January 5, 2017 at 1:30 p.m.** Information from this meeting will be submitted for consideration by the Texas Department of Housing and Community Affairs Governing Board at their January 26, 2017 meeting.

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

Sincerely,

VILLA DEL RIO, LTD.,
a Texas limited partnership

By: REPLACEMENT GP 3 LLC,
a Texas limited liability company,
its general partner

By: 

Cathy Story, Manager

VILLA DEL RIO, LTD.
509 Ellen Powell Drive
Prairie View, Texas 77446

December 22, 2016

Representative Tracy O. King
P.O. Box 2910
Austin, Texas 78768

RE: Villa Del Rio Apartments

Dear Representative King:

Villa Del Rio, Ltd. (the "**Owner**") is the owner of Villa Del Rio Apartments (the "**Community**") which is located at 409 Riverhill Loop, Laredo, TX 78046. 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**").

The Owner is currently structured to include Replacement GP 3 LLC, a Texas limited liability company ("**General Partner**") as the general partner and Replacement GP Meadowbrook, LLC, a Texas limited liability company ("**RGM**"), as a State of Texas certified Historically Underutilized Business (a "**HUB**"). A contractual restriction imposed by TDHCA mandated that a HUB participate in the ownership of the Community for a designated period of time. The Owner desires to have this provision removed from its contract to facilitate a proposed sale to a qualified entity and, therefore, is requesting the Department's approval to remove the ongoing requirement for HUB participation from its contract.

Additionally, 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.

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 **Thursday, January 5, 2017 at 1:30 p.m.** Information from this meeting will be submitted for consideration by the Texas Department of Housing and Community Affairs Governing Board at their January 26, 2017 meeting.

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

Sincerely,

VILLA DEL RIO, LTD.,
a Texas limited partnership

By: REPLACEMENT GP 3 LLC,
a Texas limited liability company,
its general partner

By: 

Cathy Story, Manager

VILLA DEL RIO, LTD.
509 Ellen Powell Drive
Prairie View, Texas 77446

December 22, 2016

Mayor Pete Saenz
City of Laredo, Texas
1110 Houston Street
Laredo, Texas 78040

RE: Villa Del Rio Apartments

Dear Mayor Saenz:

Villa Del Rio, Ltd. (the "**Owner**") is the owner of Villa Del Rio Apartments (the "**Community**") which is located at 409 Riverhill Loop, Laredo, TX 78046. 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**").

The Owner is currently structured to include Replacement GP 3 LLC, a Texas limited liability company ("**General Partner**") as the general partner and Replacement GP Meadowbrook, LLC, a Texas limited liability company ("**RGM**"), as a State of Texas certified Historically Underutilized Business (a "**HUB**"). A contractual restriction imposed by TDHCA mandated that a HUB participate in the ownership of the Community for a designated period of time. The Owner desires to have this provision removed from its contract to facilitate a proposed sale to a qualified entity and, therefore, is requesting the Department's approval to remove the ongoing requirement for HUB participation from its contract.

Additionally, 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.

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 **Thursday, January 5, 2017 at 1:30 p.m.** Information from this meeting will be submitted for consideration by the Texas Department of Housing and Community Affairs Governing Board at their January 26, 2017 meeting.

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

Sincerely,

VILLA DEL RIO, LTD.,
a Texas limited partnership

By: REPLACEMENT GP 3 LLC,
a Texas limited liability company,
its general partner

By: 

Cathy Story, Manager

VILLA DEL RIO, LTD.
509 Ellen Powell Drive
Prairie View, Texas 77446

December 22, 2016

Richmac Funding, LLC
Attn: Marsha Goff
255 E. Kellogg Boulevard
Suite 103
St. Paul, MN 55101

RE: Villa Del Rio Apartments

Dear Ms. Goff:

Villa Del Rio, Ltd. (the "**Owner**") is the owner of Villa Del Rio Apartments (the "**Community**") which is located at 409 Riverhill Loop, Laredo, TX 78046. 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**").

The Owner is currently structured to include Replacement GP 3 LLC, a Texas limited liability company ("**General Partner**") as the general partner and Replacement GP Meadowbrook, LLC, a Texas limited liability company ("**RGM**"), as a State of Texas certified Historically Underutilized Business (a "**HUB**"). A contractual restriction imposed by TDHCA mandated that a HUB participate in the ownership of the Community for a designated period of time. The Owner desires to have this provision removed from its contract to facilitate a proposed sale to a qualified entity and, therefore, is requesting the Department's approval to remove the ongoing requirement for HUB participation from its contract.

Additionally, 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.

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 **Thursday, January 5, 2017 at 1:30 p.m. p.m.** Information from this meeting will be submitted for consideration by the Texas Department of Housing and Community Affairs Governing Board at their January 26, 2017 meeting.

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

Sincerely,

VILLA DEL RIO, LTD.,
a Texas limited partnership

By: REPLACEMENT GP 3 LLC,
a Texas limited liability company,
its general partner

By:



Cathy Story, Manager

LURA Amendment Hearing Minutes

Villa Del Rio Apartments

January 5, 2017

1:30 PM

Attendees

Jon Mark Shirley, Harmony Housing

Susan Hairgrove, Capstone Management

Joe Benavides, Representative from Senator Zaffirini's office

7 Residents

Mr. Shirley introduced himself and discussed Harmony Housing mission and status as a non-profit. Mr. Shirley discussed Harmony Housing's presence in Texas, including prior acquisitions in Houston, Waco and Austin. Mr. Shirley notified the residents of the pending sale and explained that the property operates under a Land Use Restriction Agreement and within that Agreement are two restrictions that must be modified for the transaction to take place. Mr. Shirley went into detail about the Historically Underutilized Business restriction, explaining what it was and why it was being modified. Mr. Shirley also explained to the residents the Right of First Refusal restriction and why it was being modified. Mr. Shirley asked the residents if they had any questions about the implications of the modification or the sale of the asset. One resident asked Mr. Shirley if her monthly rent would increase as part of the sale of the asset. Mr. Shirley explained to the resident that the residents could expect the property to remain affordable and went into detail about Harmony Housing's plans to rehabilitate the property with approximately \$1.5 million set aside for property improvements. Mr. Shirley discussed a few of the proposed improvements. Joe Benavides, of Senator Zaffirini's office, inquired about the modification to the Right of First Refusal and why it was being modified. Mr. Shirley discussed the Right of First Refusal provision and mentioned that the language was being modified to reflect recent changes in state statutes. Another resident asked how the residents would be impacted during property rehabilitation/construction. Mr. Shirley explained that residents would be given ample notice of the pending construction and would be temporarily located to a furnished unit for a period of one to two days while construction was underway. One resident asked if she would be responsible for moving her furniture out of her apartment during construction. Mr. Shirley explained to the resident that she would not be responsible for moving her furniture and that management would coordinate with the construction crews to handle any furniture moving. Joe Benavides, inquired about the Historically Underutilized Business restriction and its modification. Mr. Shirley responded by stating that Harmony Housing does not fit the HUB model, thus the reason for the modification. Another resident asked if they, upon request, could move to another property in Texas owned by Harmony Housing. Mr. Shirley advised them to discuss this matter with new management after the sale of the property had closed. Mr. Shirley explained Harmony Housing's mission to acquire income producing assets to fund the

philanthropic endeavors of Greystone's CEO, Mr. Stephen Rosenberg, while simultaneously working to provide residents with safe, clean, affordable housing. No further questions were asked and the meeting concluded.

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action to approve a material amendment to the Housing Tax Credit (“HTC”) Land Use Restriction Agreement (“LURA”) for Tidwell Estates (#99002)

RECOMMENDED ACTION

WHEREAS, Tidwell Estates (the “Development”) applied for 9% HTC in 1998 and received a forward commitment of 9% HTC in 1999 to construct 132 multifamily units in Houston, Harris County;

WHEREAS, the LURA encumbers a total of 8.871 acres and the Development Owner, through its General Partner, IVE Tidwell, LLC, has requested the Department to release 1.35 acres of the Development site as reflected in the legal description in the LURA;

WHEREAS, the decrease in acreage results in a 17.94% increase to the residential density and, therefore, results in a modification of the residential density of at least five percent under Tex. Gov’t Code §2306.6712 and 10 TAC §10.405(a)(3)(F) and requires Board approval;

WHEREAS, the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(a) to place this request before the Board; and

WHEREAS, the decrease in site acreage and resulting modification to the residential density do not negatively affect the current Development, impact the operations of the property, or change the amount of tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the material application amendment for Tidwell Estates 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

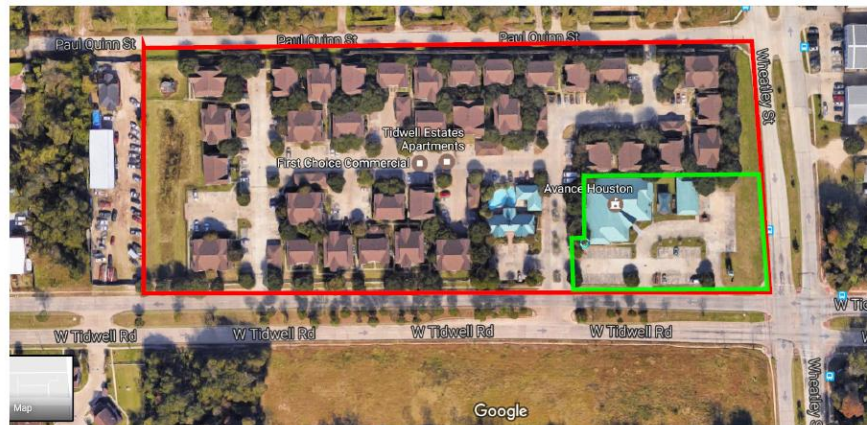
Tidwell Estates applied in 1998 and was approved for a forward commitment of 9% HTC in 1999 for the new construction of 132 multifamily units in Houston, Harris County. In a letter dated October 24, 2016, the Development Owner (Tidwell Estates, Ltd.) through its General Partner (IVE Tidwell, LLC – Isaac Matthews, Manager) has requested approval to release a 1.35-acre portion of the site.

The property is at the end of its Compliance Period, and members of the Partnership are positioning themselves to transfer their interest. A nonprofit organization has been identified as a potential purchaser and is expected to purchase the Development; however, they do not wish to purchase the child care facility,

which is located on the subject 1.35-acre portion of the Development Site , and requested that part of the property be released. Reducing the Development Site by 1.35 acres would modify the residential density by more than 5%. According to the General Partner, at Application the site was identified as 8.871 acres. The site being released includes two buildings that were used for child care and for supportive services. Throughout the Compliance Period, the daycare center has been leased to and operated by an affiliate of the General Partner. The General Partner reports that other than paying rent and a proportionate amount of taxes and insurance at the end of the year, the operator of the daycare center was independent of the operations of the property. Staff also confirmed with Mr. Barry Kahn, who is part owner of this Development, that the residents receive a 20% discount at the daycare center and will continue to receive that discount after the site is released from the LURA. Mr. Kahn further clarified that no funds will be exchanged upon release of the 1.35-acre daycare site, if approved by the Department. Mr. Kahn explained that this request to release the acreage is in anticipation of a restructuring of the ownership and possible refinance of the property, excluding the portion of the site that includes the daycare facility. Any funds as a result of transfer of the daycare center would not be realized until a sales price for the Development is agreed upon by all owners of the partnership. The LURA required the provision of the discounted daycare during the Compliance Period which ended on December 31, 2014. Although Mr. Kahn has stated that residents will continue to receive discounted daycare, the property is no longer contractually obligated to do so.

A photo of the current Development site is provided below and indicates the site currently encumbered by the Department's LURA (red boxed area) and the 1.35-acre portion (green boxed area) requested to be released.

Current Development Site



Staff has reviewed the original application, the underwriting report, and the cost certification submittal and has concluded that the decrease in site acreage would not have affected the application score and does not change the tax credit allocation awarded.

Staff recommends approval of the request to release the 1.35-acre portion on which the day care center currently resides. An amendment to the LURA will be prepared with a new legal description for the Development Site upon approval of this request.

.....

Tidwell Estates, Ltd.

February 1, 2017

Ms. Raquel Morales
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Tidwell Estates, Ltd. ("Tidwell")
TDHCA # 99002

Dear Raquel,

When Tidwell was formed, the parties planned for Pastor Isaac Matthews, who is the principal of Tidwell's majority general partner, to operate a daycare center on the commercial part of the property. The commercial property is a separate tax lot from the lot upon which the housing is built. The tax credit LURA includes the commercial property. In hindsight, Tidwell should have excluded the commercial lot from the tax credit application and the LURA, but no one really knew at that time that such was an option or that issues may arise in the post initial compliance years. The costs for the daycare center were not included in eligible basis, which is confirmed by the cost certification, and it is not managed as part of the 132 unit multifamily portion.

The tax credit LURA required that Tidwell provide social services during the Compliance Period. These social services included: job training, parenting classes, substance abuse counseling, job referral services, personal and teamwork development, health and safety education, HIV/Aids education, and discounted child care. **Note that the Compliance Period for this property has expired, so Tidwell no longer has an obligation to provide social services under the LURA or any other agreement.** Nonetheless, Tidwell understands the value of these services to the residents and continues to provide them through Texas Interfaith.

As you are aware, a national non-profit would like to acquire the multifamily portion of the property without the commercial. And Pastor Matthews wants to continue to use the commercial property separately from the multifamily development, for as long as possible.

5325 Katy Freeway, Suite One
Houston, Texas 77007
(713) 871-0063
(713) 871-1916 Fax

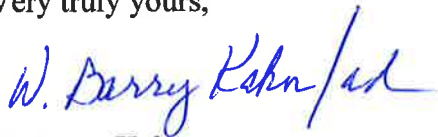
.....

Ms. Raquel Morales
Texas Department of Housing and Community Affairs
February 1, 2017
Page Two

Because none of the costs associated with the daycare facility were included in the eligible basis and because Tidwell is no longer required to provide supportive services under the LURA, we believe it is reasonable for TDHCA to remove the commercial property from the LURA. This would facilitate our sale of the property.

Please let us know your thoughts and how we should proceed. Thank you for your ongoing assistance.

Very truly yours,

A handwritten signature in blue ink that reads "W. Barry Kahn/ad". The signature is written in a cursive style with a large initial "W" and a long horizontal stroke at the end.

W. Barry Kahn
Manager of IVE Tidwell, LLC
General Partner of Tidwell Estates, Ltd.

WBK/ad

Tidwell Estates, Ltd.
5325 Katy Freeway, Suite One
Houston, Texas 77007-2257

October 24, 2016

VIA HAND DELIVERY

Lucy Trevino
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: TDHCA File No. 99002 Tidwell Estates Apartment Homes (the "**Property**")

Dear Ms. Trevino:

The undersigned is the General Partner (herein so called) of Tidwell Estates, Ltd., a Texas limited partnership (the "**Partnership**") and the current owner of the Property. This letter constitutes a request for a material LURA amendment in order to: (1) modify the right of first refusal (the "**ROFR**") and (2) remove a portion of the real estate from the encumbrance of the LURA.

Background Information

The Property is at the end of its Compliance Period, and the partners in the Partnership are positioning themselves to transfer their Partnership interests. A potential purchaser, which is a non-profit organization, has been identified and is expected to purchase the Partnership interests, subject to LURA requirements. The Partnership is currently comprised of the General Partner and Hettig Asset Management Group V, Inc., as limited partner ("**HK**"). HK previously served as the Class A Limited Partner of the Partnership, The General Partner and HK acquired all the interests of the investor limited partner earlier this year. The purpose of this request is to help the Partnership prepare for the proposed transfer of Partnership interests.

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, resyndication, and the sale to qualified entities. Currently, the LURA for this Property requires a two-year ROFR period. Section 10.405(b)(2)(F) of the Rules allows for a LURA amendment in order to conform a ROFR to the provisions 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, also permitting resyndication and sale to qualified entities.

Release of Portion of Legal Description

The Property includes a separate day care center, comprised of two buildings and related amenities. The day care center was not included in the eligible basis of the Property and is not a required amenity under the LURA. The day care center has been leased to and operated by an affiliate of the General Partner since inception. As part of the proposed change of ownership of the Partnership, the operator of the day care center wishes to acquire the facility to ensure its continued operation. The day care center will continue to be available to residents of the Property, as it has in the past. Thus, the Partnership respectfully requests that the legal description for the LURA be revised to omit the following:

UNRESTRICTED RESERVE "A" OF TIDWELL ESTATES PARK, an addition in Harris County, Texas, according to the map or plat thereof recorded under Film Code No. 426002 of the Map Records of Harris County, Texas.

This will facilitate the Partnership's ability to transfer the day care center to the operator. A survey showing the land to be excluded from the LURA is attached as Exhibit A, highlighted in yellow. If an electronic copy of the survey is required, we are happy to provide it.

LURA Amendment

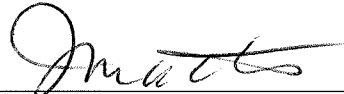
In accordance with Section 10.405(b) of the Rules, the General Partner, acting on behalf of the Partnership, is delivering a fee in the amount of \$2500. In addition, the General Partner, acting on behalf of the Partnership, commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials. Drafts of the public hearing notices are attached for your consideration. Upon approval from TDHCA, the General Partner, acting on behalf of 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 General Partner, acting on behalf of the Partnership, requests staff recommendation, in support of this request, to be considered at the December 15, 2016 TDHCA Board meeting.

Lucy Trevino
October 24, 2016
Page 3

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

IVE Tidwell, LLC

By: 
Isaac Matthews, Manager

Attachments

cc: Hettig Asset Management Group V, Inc.
Walker & Dunlop

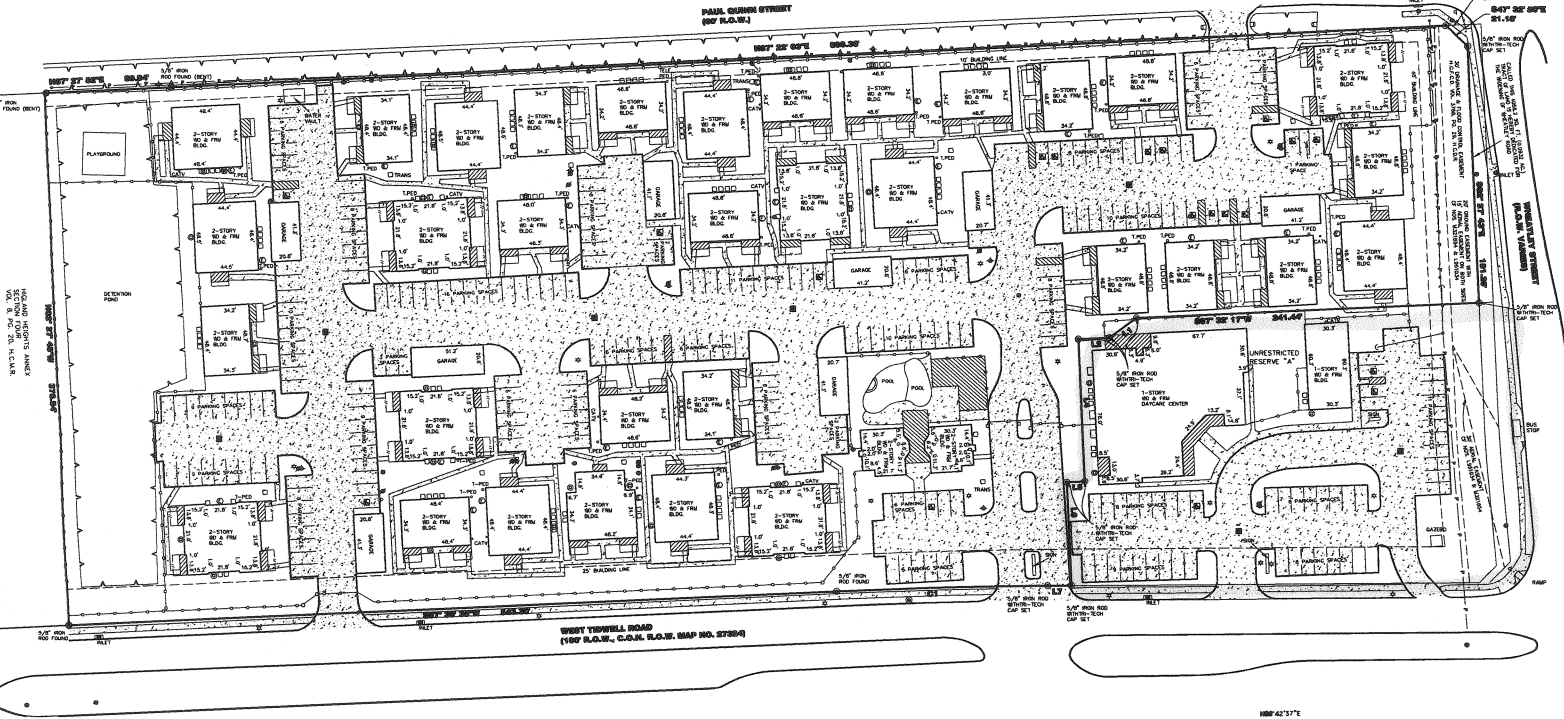
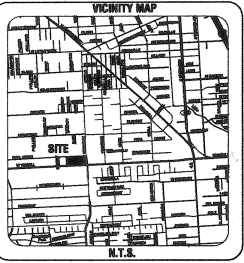
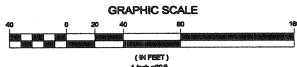
GRATE INLET	FIRE HYDRANT	POWER POLE	LIGHT STANDARD	IRON PIPE	CONCRETE	CONTROLLER
SAFETY	WATER VALVE	DRIP HATCH	GAL VALVE	WOOD PIPE	CONCRETE	CONCRETE
STORM MANHOLE	WATER METER	BRANCH POLE	TELEPHONE POST	STEEL PIPE	< > CALL	CONTROLLER
CLEAN OUT	SAFETY MANHOLE	GAS METER	TELEPHONE MANHOLE	CHAIN LINK FENCE	PIPE SHRI LINE	PIPE SHRI LINE
TRIP POINT	DRIVE IN	ELECTRIC MANHOLE	MAIL BOX	DANGEROUS FENCE	WATER LINE	WATER LINE
	DRIVE IN	BOLLARD		POWERLINE	SEW. LINE	SEW. LINE

AF - AERIAL SURVEY	SI - SERVICE	AS - ASBESTOS	AS - ASBESTOS
BL - BUILDING LINE	OH - OVERHEAD UTILITIES	BTM - BUTYR	BTM - BUTYR
CH - CHIMNEY	PL - PLUMBING	CT - CITY	CT - CITY
CP - CURB	PL - PLUMBING	CT - CITY	CT - CITY
CP - CURB	PL - PLUMBING	CT - CITY	CT - CITY
CP - CURB	PL - PLUMBING	CT - CITY	CT - CITY

NO.	DATE	REVISION	BY

PARKING TABULATION
 TOTAL REGULAR SPACES PROVIDED: 187
 TOTAL HANDICAP SPACES PROVIDED: 18
 TOTAL COBBIED SPACES PROVIDED: 205

FLOOD INFORMATION
 FLOOD HAZARD ZONE: X
 FLOOD INSURANCE RATES: DETERMINE TO DETERMINE FLOOD INSURANCE RATES ONLY AND IS NOT INTENDED TO IDENTIFY SPECIFIC FLOODING CONDITIONS. WE ARE NOT RESPONSIBLE FOR THE F.I.R.M.'S ACCURACY.



Line	Bearing	Distance	Angle	Curve	Radius	Chord	Area
11	S47° 27' 34.82\"	23.25					
12	S87° 32' 19.37\"	2.87					
13	N02° 27' 43.47\"	180.70					
14	S87° 32' 19.37\"	2.87					
15	N02° 27' 43.47\"	180.70					
16	N87° 42' 31.05\"	14.97					

- NOTES**
1. ALL EASEMENTS AND BUILDING LINES SHOWN ARE PER THE RECORDED PLAT UNLESS OTHERWISE NOTED.
 2. SUBJECT TO A DRAINAGE EASEMENT ON EACH SIDE OF THE CENTERLINE OF ALL NATURAL DRAINAGE COURSES.
 3. ALL BUILDING LINES, EASEMENTS, BUILDING RESTRICTIONS (DEED RESTRICTIONS, ETC) AND ZONING ORDINANCES, IF ANY, THAT MAY AFFECT SUBJECT PROPERTY SHOULD BE VERIFIED PRIOR TO PLANNING AND/OR CONSTRUCTION.
 4. EASEMENTS FROM FLOOR PLANS OR RECORDS, IF SHOWN, ARE FOR RECORDED PLAT AND/OR DEED RESTRICTIONS ONLY, AND NOTED AS SUCH. UNRECORDED THIRD FLOOR RESTRICTIONS MAY BE NOTED BY F.E.M.A. AND/OR LOCAL GOVERNING AUTHORITIES.
 5. SURFACE OR SUBSURFACE PAULTING, HAZARDOUS WASTE, MINERAL RIGHTS, WETLAND, OBSERVATION OR OTHER ENVIRONMENTAL ISSUES AND ARCHITECTURAL ISSUES HAVE NOT BEEN ADDRESSED WITHIN THE SCOPE OF THIS SURVEY.
 6. ABSTRACT INFORMATION PROVIDED HEREON IS BELIEVED TO BE SUPPORTED AND CORRECT BY THE UNDERGROUND SURVEYOR. THIS SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY THE SURVEYOR. THE DISCREPANCIES OF RECORD, AS REFLECTED ON THIS SURVEY, ARE BASED ON THE RECORDED MAP OR PLAT AND/OR DEEDS AND TITLE INFORMATION. OWNERS/LESSEES SHOULD VERIFY ALL BUILDING LINES, EASEMENTS, RESTRICTIONS, AND ORDINANCES, IF ANY, AS SHOWN HEREON.
 7. A GROUND AND/OR AERIAL SURVEY MAY BE ADJACENT TO ANY EXISTING UTILITY. OWNERS/LESSEES MUST VERIFY CLEARANCE OF UTILITY AND EASEMENTS WITH APPLICABLE UTILITY COMPANIES PRIOR TO PLANNING AND/OR CONSTRUCTION.
 8. BURIED UTILITIES HAVE NOT BEEN SHOWN. VERIFY ALL UTILITIES PRIOR TO CONSTRUCTION.
 9. THIS SURVEY DOES NOT ADDRESS ARCHITECTURAL, PROFESSIONAL SUCH AS AN EXISTING OVERHEAD, WINDOW LOCKER, ETC. IN RELATION TO EASEMENTS AND/OR BUILDING LINES.
 10. THERE IS NO OBSERVED EVIDENCE OF CURRENT EARLY WORKING, BUILDING CONSTRUCTION OR BUILDING ADDITIONS.
 11. THERE IS NO OBSERVED EVIDENCE OF RECENT STREET OR SIDEWALK CONSTRUCTION OR REPAIR.
 12. THERE IS NO OBSERVED EVIDENCE OF SITE USE AS A SOLID WASTE DUMP, BURR OR SANITARY LANDFILL.

SCHEMATA
 THIS SURVEY IS BASED ON A FILE REPORT PREPARED BY TITLES (FILE NO. 0164) DATED 04/25/2006. THE SURVEY IS BASED ON THE INFORMATION CONTAINED THEREIN. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND THE INFORMATION CONTAINED THEREIN TO BE CORRECT. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND THE INFORMATION CONTAINED THEREIN TO BE CORRECT.

- The following restrictive covenants of record limited below:
1. The following restrictive covenants of record limited below:

FIELD OBSERVATIONS
 THE FIELD AND/OR AERIAL SURVEY MAY BE ADJACENT TO ANY EXISTING UTILITY. OWNERS/LESSEES MUST VERIFY CLEARANCE OF UTILITY AND EASEMENTS WITH APPLICABLE UTILITY COMPANIES PRIOR TO PLANNING AND/OR CONSTRUCTION.

ALTA/NSP'S LAND TITLE SURVEY

Surveyor's Certification
 The undersigned being a Registered Professional Land Surveyor of the State of Texas do hereby certify to the best of my knowledge, information, and belief that this is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSP's Land Title Surveys, jointly established and adopted by ALTA and NSP, and include Items 1-4, 6, 7a, 7b, 8-4, 11, 13-14, 16-17, and 20 of Table A thereof. The field work was completed on 09-02-06.

LIBA M. DOBROWSKI
 Registered Professional Land Surveyor
 Texas Registration Number: 8944
 ldo@magnaltd.com
 100 S. GARDNER ST. SUITE 1000, DALLAS, TEXAS 75241
 (214) 742-1111
 www.magnaltd.com

PRELIMINARY
 This is a preliminary drawing and should not be used for construction purposes without the approval of the engineer of record.

ALTA/NSP'S LAND TITLE SURVEY
 This is a preliminary drawing and should not be used for construction purposes without the approval of the engineer of record.

1200 WEST TIDWELL
 DALLAS, TEXAS 75205

Global Surveyors, Inc.
 100 S. GARDNER ST. SUITE 1000, DALLAS, TEXAS 75241
 (214) 742-1111
 www.magnaltd.com

Tidwell Estates, Ltd.
5325 Katy Freeway, Suite One
Houston, Texas 77007-2257

November 16, 2016

Representative Jarvis Johnson
P.O. Box 2910
Austin, Texas 78768

Dear Representative Jarvis Johnson:

Tidwell Estates, Ltd. (the "**Owner**") is the owner of the Tidwell Estates Apartment Homes (the "**Community**") which is located at 1200 W. Tidwell Road, Houston, Texas 77091. 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**").

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, a right of first refusal requires the Owner to offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. Recent changes in Texas law allow for changes to the right of first refusal requirement, including reducing the two-year period to a 180-day period and permitting the Owner to transfer the Community to certain kinds of entities in the right of first refusal process. The Owner is asking TDHCA to modify its contract so that these changes permitted by Texas law will apply.

Moreover in addition to the Community, the Owner owns a day care facility on-site, which is encumbered by the LURA. The operator of the day care center wishes to acquire the facility, so Owner is asking TDHCA to remove the day care center from the restrictions of the LURA.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community's management office/clubhouse on November 21, 2016 at 1:00 p.m.

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

Sincerely,

Tidwell Estates, Ltd.

By: IVE Tidwell, LLC,
its general partner

By: 
Name: W. Barry Kahn
Title: Manager

Tidwell Estates, Ltd.
5325 Katy Freeway, Suite One
Houston, Texas 77007-2257

November 16, 2016

Mayor Sylvester Turner
City of Houston
P.O. Box 1562
Houston, TX 77251

Dear Mayor Sylvester Turner:

Tidwell Estates, Ltd. (the "**Owner**") is the owner of the Tidwell Estates Apartment Homes (the "**Community**") which is located at 1200 W. Tidwell Road, Houston, Texas 77091. 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**").

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, a right of first refusal requires the Owner to offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. Recent changes in Texas law allow for changes to the right of first refusal requirement, including reducing the two-year period to a 180-day period and permitting the Owner to transfer the Community to certain kinds of entities in the right of first refusal process. The Owner is asking TDHCA to modify its contract so that these changes permitted by Texas law will apply.

Moreover in addition to the Community, the Owner owns a day care facility on-site, which is encumbered by the LURA. The operator of the day care center wishes to acquire the facility, so Owner is asking TDHCA to remove the day care center from the restrictions of the LURA.

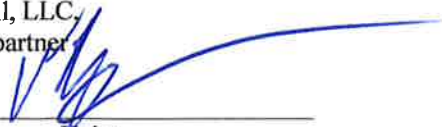
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We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Tidwell Estates, Ltd.

By: IVE Tidwell, LLC,
its general partner

By: 
Name: W. Barry Kahn
Title: Manager

Tidwell Estates, Ltd.
5325 Katy Freeway, Suite One
Houston, Texas 77007-2257

November 16, 2016

Dear Resident:

The Tidwell Estates Apartment Homes (the "**Community**") is owned by Tidwell Estates Ltd. (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, a right of first refusal requires the Owner to offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. Recent changes in Texas law allow for changes to the right of first refusal requirement, including reducing the two-year period to a 180-day period and permitting the Owner to transfer the Community to certain kinds of entities in the right of first refusal process. The Owner is asking TDHCA to modify its contract so that these changes permitted by Texas law will apply.

Moreover in addition to the Community, the Owner owns a day care facility on-site, which is encumbered by the LURA. The operator of the day care center wishes to acquire the facility, so Owner is asking TDHCA to remove the day care center from the restrictions of the LURA.

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. This meeting will take place at the Community's management office/clubhouse on November 21, 2016 at 1:00 p.m.

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


We appreciate that Tidwell Estates is your home and we invite you to attend and give your input on this proposal.

Thank you for choosing Tidwell Estates as your home.

Sincerely,

Tidwell Estates, Ltd.

By: IVE Tidwell, LLC,
its general partner

By: 
Name: W. Barry Kahn
Title: Manager

Tidwell Estates, Ltd.
5325 Katy Freeway, Suite One
Houston, Texas 77007-2257

November 16, 2016

Senator John Whitmire
P.O. Box 12068
Capitol Station
Austin, Texas 78711

Dear Senator John Whitmire:

Tidwell Estates, Ltd. (the "**Owner**") is the owner of the Tidwell Estates Apartment Homes (the "**Community**") which is located at 1200 W. Tidwell Road, Houston, Texas 77091. 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**").

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Moreover in addition to the Community, the Owner owns a day care facility on-site, which is encumbered by the LURA. The operator of the day care center wishes to acquire the facility, so Owner is asking TDHCA to remove the day care center from the restrictions of the LURA.

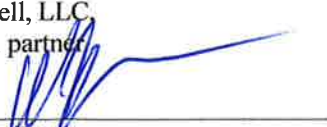
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We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Tidwell Estates, Ltd.

By: IVE Tidwell, LLC,
its general partner

By: 
Name: W. Barry Kahn
Title: Manager

1e

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action on a waiver relating to 10 TAC §10.101(b)(2) of the Uniform Multifamily Rules concerning Development Size Limitations

RECOMMENDED ACTION

WHEREAS, new construction developments located in Rural Areas are limited to a maximum number of 80 units pursuant to 10 TAC §10.101(b)(2) of the Uniform Multifamily Rules;

WHEREAS, the Department received a request from an applicant to build a 92-unit development in Hutto, Williamson County, which is considered a Rural Area pursuant to the 2017 Site Demographic Characteristics Report released by the Department;

WHEREAS, after a preliminary evaluation of the proposed primary market area, demand calculations, number of units proposed, drive times to major employers in the area and population trends of Hutto, staff believes granting the waiver supports the requirements articulated in 10 TAC §10.207 relating to waivers granted by the Board; and

WHEREAS, the granting of the waiver is specific to the facts and circumstances relating to this request and information provided by the applicant; should those change at the time the housing tax credit application is submitted or should the application be submitted in a subsequent program year, a re-evaluation of the request may be warranted;

NOW, therefore, it is hereby

RESOLVED, that the waiver relating to 10 TAC §10.101(b)(2) of the Uniform Multifamily Rules concerning Development Size Limitations for a proposed development in Hutto, Williamson County, planned for submission in the 2017 program year is hereby granted.

BACKGROUND

The Uniform Multifamily Rules contain a provision relating to limitations of the size of a development which reads in part “*New Construction or Adaptive Reuse Developments in Rural Areas are limited to a maximum of 80 Units. Other Developments do not have a limitation as to the maximum number of Units.*”

This requirement stems, in part, from the definition of a Rural Development as found in Tex. Gov’t Code §2306.004(28-b), which reads “*a development or proposed development that is located in a rural area, other than rural new construction developments with more than 80 units.*” The applicant maintains that developments in a rural area has applicability as it relates to Competitive 9% HTC applications under what is known as the Rural Set-Aside which requires a certain amount of the HTC ceiling be

reserved for developments in a rural area. Staff agrees with this assessment and believes the definition represents a characterization of a development that would have greater implication under the Competitive 9% HTC program considering the Rural Set-Aside and other provisions that relate to the scoring of a rural application. Under the Non-competitive 4% HTC program set-aside and scoring provisions do not exist. However, the requirement in the rule that limits the size of multifamily developments in rural areas, regardless of funding source, is representative of Department policy in preventing the over-burdening of units in a rural area.

The submitted request was represented to involve a new construction, 92-unit development located in Hutto, Williamson County and serve the general population. Hutto is located to the east of IH-35, north of Austin and just outside of Round Rock and has a population of 18,839, compared to 13,470 in 2010; an increase of 53%. The proposed development site is located within a mile of the boundary of the Round Rock city limits, which has a population of 106,972. Staff notes that if Hutto and Round Rock shared a boundary, Hutto would have been considered urban in designation.

In reviewing the request, although a full market study had not been completed, staff evaluated preliminary capture rates and demand calculations based on a primary market area provided by the applicant. Staff believes the primary market area generally represents where demand for these units would be originating, but believes slight modifications would more accurately include demand from the nearby city of Taylor given drive-times to major job centers. It is important to note that in considering these projections staff expects the capture rate requirements to be within parameters required for an urban area as articulated in 10 TAC §10.302(i)(1)(B) of the Underwriting and Loan Policy Rules. Additional information provided by the applicant included a listing of major employers in the area, yielding approximately 24,000 jobs within 20 minutes of the proposed development site. Moreover, within the primary market area there are sizable market rate multifamily developments that are characteristic of the types of developments seen in more urban areas. According to the applicant, these developments have high occupancy rates and thus demonstrate the demand for housing in the area.

Staff notes that the unit mix provided by the applicant reflected one unit at 50% AMFI and ninety-one units at 60% AMFI. By including one 50% unit in the unit mix, the market analyst was able to use demand from 50% households in the gross capture rate calculation. Staff does not support the addition of a single unit (or any de minimis number of units) strictly for the purposes of producing a gross capture rate to meet the rules. Staff believes that revisions to the primary market area being contemplated by the market analyst will show sufficient demand such that including demand from the 50% households will not be necessary to support the development.

The general process for a waiver granted by the Board, as articulated under 10 TAC §10.207 of the Uniform Multifamily Rules, requires an applicant to demonstrate how, by not granting the waiver, the Department would not be meeting its policies and purposes under Tex. Gov't Code §2306. The applicant contends that there are not any pending 4% or 9% applications for developments in Hutto this year and as a result the need for affordable housing in the community will go unmet which speaks to Tex. Gov't Code §2306.001(2). The proposed development would also serve to stimulate economic development in Hutto as articulated under Tex. Gov't Code §2306.002 and would maximize the number of affordable units added to the state's housing supply as identified under Tex. Gov't Code §2306.6701.

Considering all of the aforementioned facts, staff believes Hutto has the characteristics that would be representative of an urban area, and that the area could support the number of units proposed by the applicant based on the preliminary information received.

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BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer (#16445 Campus Apartments, Fort Worth)

RECOMMENDED ACTION

WHEREAS, an application for 4% Housing Tax Credits, for Campus Apartments, sponsored by Fort Worth Affordability, Inc., was submitted to the Department on November 11, 2016;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board (“BRB”) was issued on November 15, 2016, which will expire on April 14, 2017;

WHEREAS, the proposed issuer of the bonds is the Trinity River Public Facility Corporation;

WHEREAS, pursuant to 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose to the Department the existence of certain undesirable characteristics of a proposed development site;

WHEREAS, the applicant has disclosed the presence of such undesirable neighborhood characteristics, specifically relating to the poverty rate that exceeds 40%, and the elementary, middle and high school in the attendance zone of the proposed development did not achieve a Met Standard rating based on the 2015 Accountability Ratings by the Texas Education Agency (“TEA”);

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood and based on the mitigation provided that includes more recent 2016 TEA school ratings, an assessment of school performance from a school official and an analysis of the poverty rate and trends, recommends the proposed site be found eligible under 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules;

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the compliance history is designated as an Extra Large Portfolio Category 3 and deemed acceptable by the 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 \$1,275,707 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 Campus Apartments is hereby approved as presented to this meeting.

BACKGROUND

General Information: Campus Apartments, proposed to be located at 4651 – 4701 Campus Drive in Fort Worth, Tarrant County, involves the new construction of 224 units of which 22 will be rent and income restricted at 30% of Area Median Family Income (“AMFI”), 192 will be rent and income restricted at 60% of AMFI. The remaining 10 units will be market rate with no rent and income restrictions. The development will serve the general population and the site is currently zoned appropriately. The census tract (1059.02) has a median household income of \$18,603, is in the fourth quartile, and has a poverty rate of 48.5%.

Site Analysis: The presence of undesirable neighborhood characteristics under §10.101(a)(4) requires additional site analysis and those characteristics attributable to the Campus Apartments include the poverty rate above 40%, and the elementary, middle and high school for the attendance zone containing the proposed development did not achieve a Met Standard rating based on the 2015 Accountability Ratings by TEA.

The development is located in a census tract that has a poverty rate of 48.5% which exceeds the threshold of 40% allowed under 10 TAC §10.101(a)(4). The poverty rate for the subject tract was 51% in 2015, demonstrating a decrease over the prior year. An assessment of the percentage of households residing in the census tract with incomes greater than \$50,000 (median income for the Dallas-Fort Worth-Arlington MSA is \$59,946) reflected an increase from 19% in 2011 to 32% in 2015. Moreover, the applicant has represented that the mixed-income development utilizing the Housing Assistance Program and Rental Assistance Demonstration vouchers is an integral part of the City of Fort Worth’s Strategic Plan to meet their housing needs.

The proposed development is to be located in the Fort Worth Independent School District (“ISD”). The Clifford Davis Elementary School, Forest Oak Middle School and O.D. Wyatt High School did not achieve a Met Standard rating based on the 2015 Accountability Ratings by TEA. In reviewing the 2016 Accountability Ratings released by TEA in August 2016, the elementary and high school achieved the Met Standard rating. Forest Oak Middle School; however, was identified as Improvement Required. From a historical perspective, Forest Oak was identified as Improvement Required in 2014, 2015 and 2016. A letter was submitted from Charles Carroll, Chief Academic Officer with Fort Worth ISD, which expressed his familiarity with the student data and school improvement plans in place for Forest Oak and further explained the measures to be implemented that, in his professional opinion, will demonstrate the improvement necessary so that the school will achieve the Met Standard rating by the time the proposed Campus Apartments is placed into service.

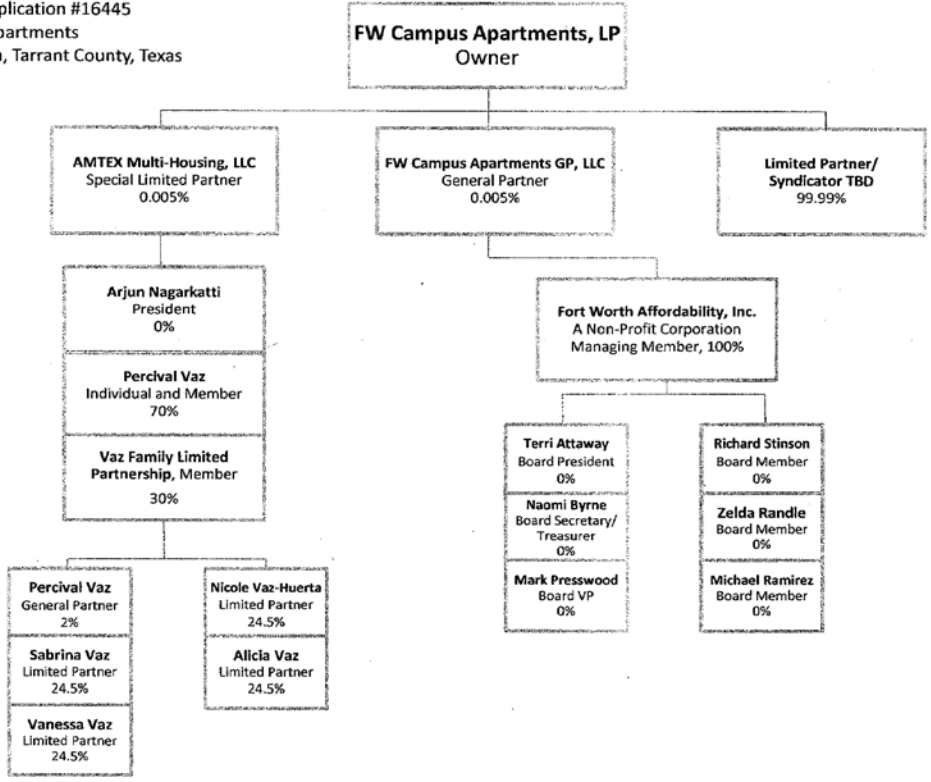
Staff believes that considering the aforementioned characteristics and mitigation provided as evidenced by the income trends in the census tract, the more recent ratings associated with the elementary and high school, and the letter provided by Fort Worth ISD that speaks to the middle school performance, the undesirable neighborhood characteristics considered mitigated are not of a nature and severity that should render the site ineligible under 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules.

Organizational Structure and Previous Participation: The Borrower is FW Campus Apartments, LP, and includes the entities and principals as indicated in Exhibit A. The applicant’s portfolio is considered an Extra Large Category 3 and the previous participation was deemed acceptable by EARAC on February 17, 2017, 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

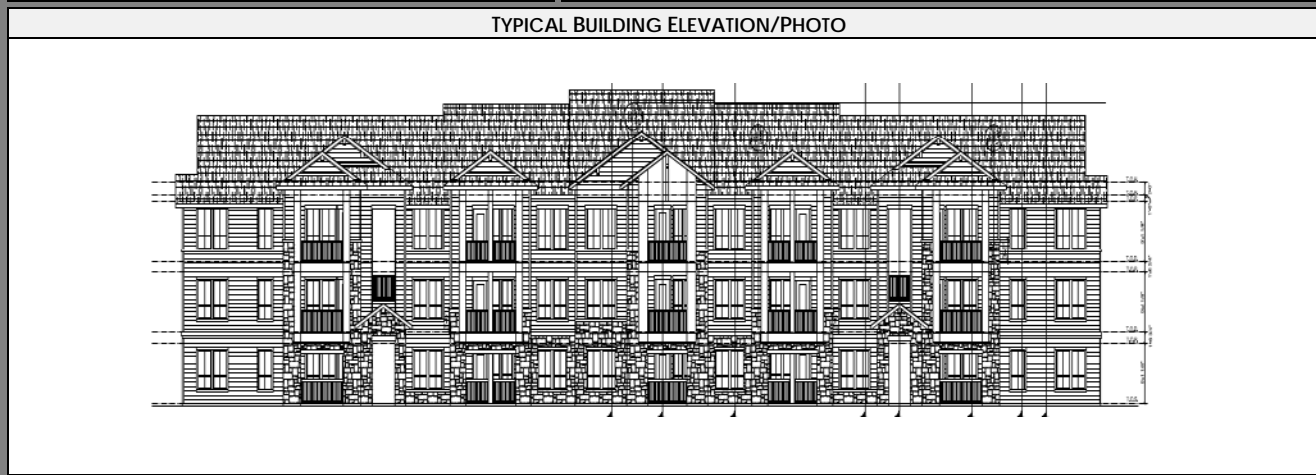
Ownership Organizational Chart
 TDHCA Application #16445
 Campus Apartments
 Fort Worth, Tarrant County, Texas



APPLICATION SUMMARY

PROPERTY IDENTIFICATION		RECOMMENDATION				
Application #	16445	TDHCA Program	Request	Approved		
Development	Campus Apartments	LIHTC (4% Credit)	\$1,275,707	\$1,275,707	\$5,695/Unit	\$0.98
City / County	Fort Worth / Tarrant		Amount	Rate	Amort	Term
Region/Area	3 / Urban	Private Activity Bonds				
Population	General	MDLP (Repayable)				
Set-Aside	General	MDLP (Non-Repayable)				
Activity	New Construction	CHDO Expenses				

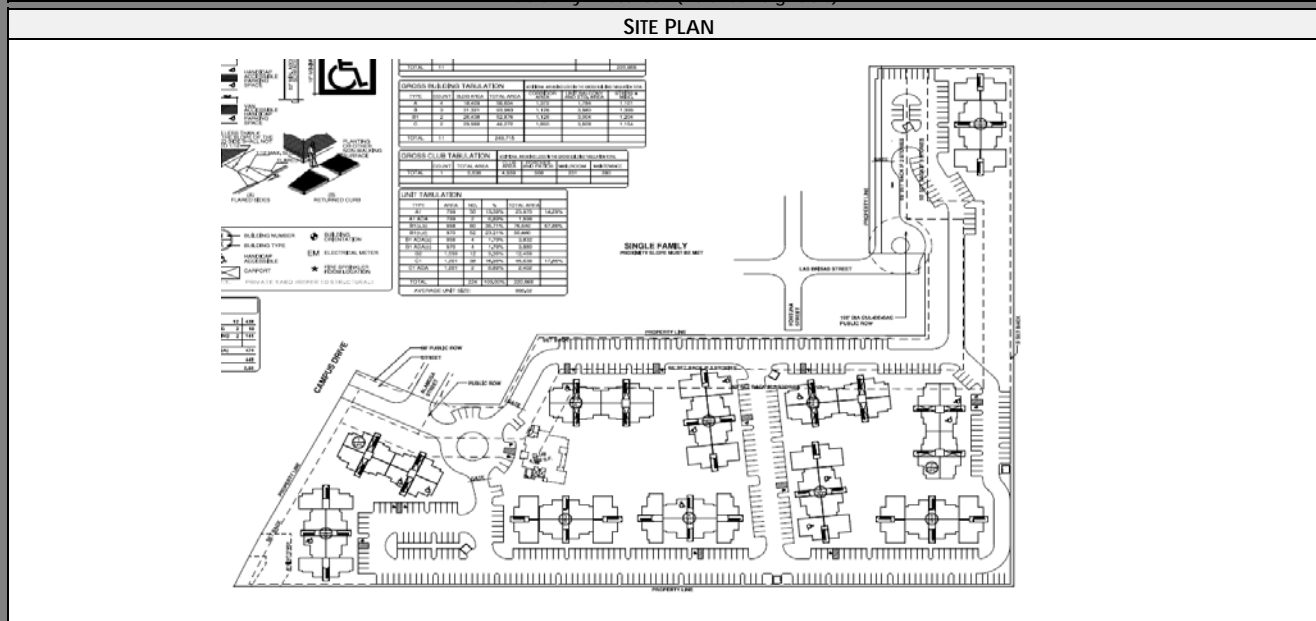
KEY PRINCIPAL / SPONSOR		
General Partner(s)		
AMTEX Multi-Housing LLC		
David Yarden		
Lisa Davis		
Fort Worth Housing Authority		
Related-Parties	Contractor - No	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	22	10%
1	32	14%	50%	-	0%
2	152	68%	60%	190	85%
3	40	18%	EO	2	1%
4	-	0%	MR	10	4%
TOTAL	224	100%	TOTAL	224	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	42.4%
Breakeven Occ.	85.5%	Breakeven Rent	\$736
Average Rent	\$803	B/E Rent Margin	\$67
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$4,192/unit	Controllable	\$3,159/unit



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)	9.6%
Highest Unit Capture Rate	52% 2 BR/60% 120
Dominant Unit Cap. Rate	52% 2 BR/60% 120
Premiums (↑60% Rents)	Yes \$65/Avg.
Rent Assisted Units	43 19% Total Units

DEVELOPMENT COST SUMMARY

Costs Underwritten	Applicant's Costs	
Avg. Unit Size	986 SF	Density 16.7/acre
Acquisition	\$03K/unit	\$774K
Building Cost	\$71.30/SF	\$70K/unit \$15,747K
Hard Cost	\$91K/unit	\$20,331K
Total Cost	\$158K/unit	\$35,445K
Developer Fee	\$4,062K (68% Deferred)	Paid Year: 11
Contractor Fee	\$2,633K	30% Boost Yes

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Bank of America/Greystone	15/35	5.17%	\$17,915,958	1.15	Fort Worth Housing Solutions	30/30	3.00%	\$1,891,451	1.15	Bank of America	\$12,501,929
TOTAL DEBT (Must Pay)			\$17,915,958		CASH FLOW DEBT / GRANTS			\$2,252,770		AMTEX Development, LLC	\$2,774,683
										TOTAL EQUITY SOURCES	\$15,276,612
										TOTAL DEBT SOURCES	\$20,168,728
										TOTAL CAPITALIZATION	\$35,445,340

CONDITIONS

- 1 Receipt and acceptance by Cost Certification:
- a: Fully executed HAP Contract.
 - b: Documentation clearing environmental issues contained in the ESA report, specifically:
 - i: Documentation that an Environmental Site Investigation was completed to evaluate the soil stockpile on site for presence of environmental contaminants and any adverse findings were remediated with the recommendations from the ESA provider.
 - ii: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.

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.

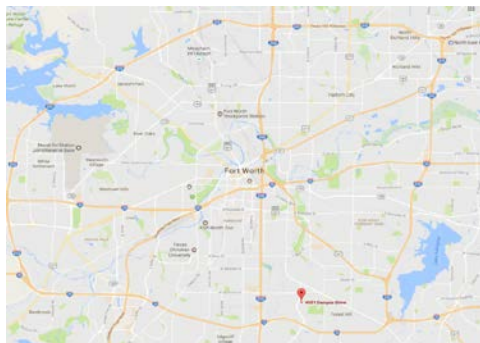
BOND RESERVATION / ISSUER

Issuer	Trinity River Public Facility Corporation
Expiration Date	4/13/2017
Bond Amount	\$30,000,000
BRB Priority	Priority 3
Expected Close	N/A
Bond Structure	Private Placement

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	Partnership with Fort Worth Housing Authority
▫	Will receive 21 RAD vouchers from FWHA
▫	High area occupancy
WEAKNESSES/RISKS	
▫	9.6% Gross Capture Rate
▫	First year DCR at 1.15

AREA MAP



AERIAL PHOTOGRAPH(S)



BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer (#16455 Chelsea Plaza Apartments, El Paso)

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for Chelsea Plaza Apartments, sponsored by the Housing Authority of the City of El Paso, was submitted to the Department on November 15, 2016;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board was issued on November 15, 2016, and will expire on April 14, 2017;

WHEREAS, the proposed issuer of the bonds is the Alamito Public Facilities Corporation;

WHEREAS, pursuant to 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose to the Department the existence of certain undesirable characteristics of a proposed development site;

WHEREAS, the applicant has disclosed the presence of an undesirable neighborhood characteristic, specifically that the development site is within the American Society for Testing and Materials (“ASTM”) Standard search distance of two Comprehensive Environmental Response, Compensation and Liability Information System (“CERCLIS”) sites, three Resource Conservation and Recovery Acts (“RCRA”) CORRACTS facilities, four RCRA Non-Generator Facilities, and three Voluntary Cleanup Programs (“VCP”) as further noted in the Environmental Site Assessment (“ESA”);

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood and based on the professional opinion of the ESA provider recommends the proposed site be found eligible under 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules;

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the compliance history is designated as an Extra Large Portfolio Category 3 and after review and discussion EARAC recommends the issuance of a Determination Notice, with conditions, as identified below; and

WHEREAS, all parties understand and agree that failure to meet these conditions and provide evidence of compliance with these conditions upon request may result in a negative recommendation for future awards and/or ownership transfer requests;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of \$1,123,611 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 Chelsea Plaza Apartments is hereby approved as presented to this meeting conditioned upon the following:

1. The Housing Authority of the City of El Paso ("HACEP") agrees to ensure that the Compliance Monitoring and Tracking System ("CMTS") is updated with current and correct contact information within 10 days of a change. Quarterly reviews of CMTS should be conducted to ensure a responsible party is properly identified as the Owner contact for all affiliated Developments.
2. HACEP will conduct appropriate due diligence to determine all compliance requirements prior to future acquisition of TDHCA administered property and not rely upon post closing rule waivers or material amendments to address inconsistencies or required amendments.
3. HACEP agrees to have a de novo qualified third party accessibility specialist review the entire development site to confirm compliance with TDHCA accessibility standards and that such documentation be submitted to the satisfaction of the Department prior to the issuance of the Determination Notice. In addition, that such documentation be submitted as part of all future TDHCA applications submitted through December 31, 2018.

BACKGROUND

General Information: Chelsea Plaza Apartments is located at 600 Chelsea Street, El Paso, El Paso County, and consists of 330 units, all of which will be rent and income restricted at 60% AMFI. The units are currently occupied and operating as public housing owned and managed by the Housing Authority of the City of El Paso and will be converted through HUD's Rental Assistance Demonstration program. The development will serve the general population and conforms to current zoning. The census tract (0033.00) has a median household income of \$30,444, is in the third quartile and has a poverty rate of 17.30%.

Site Analysis: The applicant disclosed the presence of an undesirable site characteristic under §10.101(a)(4)(B)(v) of the Uniform Multifamily Rules which requires additional site analysis; specifically, the ESA for the development site indicates two CERCLIS sites, three RCRA CORRACTS facilities, four RCRA Non-Generator Facilities, and three Voluntary Cleanup Program ("VCP") sites within the ASTM-required search distances from the approximate boundaries the site.

The two CERCLIS sites in question are El Paso Disposal and the Revere Road site. El Paso Disposal, located .41 miles from the development site has been given Archived Site designation, which means that an assessment of the site has been completed and the Environmental Protection Agency has determined no further remedial action is necessary. The Revere Road site is reported as being a landfill and is also categorized as a VCP site, located .31 miles from the development site. The Revere Road Landfill is reported as having been issued a Certificate of Completion from the TCEQ. The RCRA CORRACTS facilities are reported as being Fort Bliss, Western Refining Company LP, and Chevron Environmental Management Company. Fort Bliss is a United States Department of the Army Air Defense post located .67 miles from the development site and currently has an active status as a Large Quantity Generator. Western Refining Company LP and Chevron Environmental Management Company are currently not listed as generators and are located .83 and .96 miles from the project site, respectively. The RCRA Non-Generator

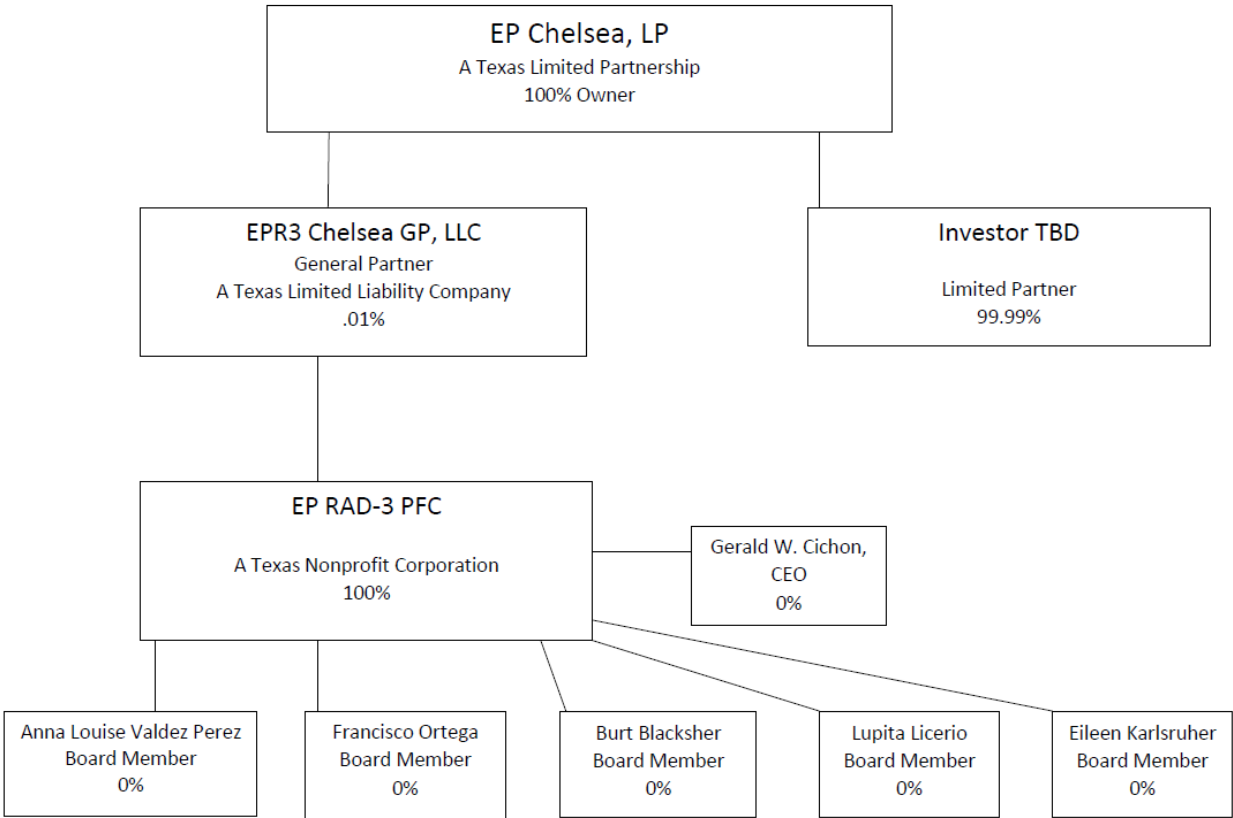
facilities include VC Body Shop, mobile communications provider Raba Kistner Consultants, Sherwin-Williams Company, and AKNA Transportes. No violations are reported for VC Body Shop and Raba Kistner Consultants, located .03 miles and .11 miles from the development site, respectively, and the VC Body Shop is positioned topographically cross-gradient relative to the development and not anticipated to be of concern. Sherwin-Williams Company is located .1 miles from the development site and is not listed as a generator currently. AKNA Transportes, a specialized trucking facility, is located .13 miles from the project site and is not listed as a generator. The additional VCP sites reported in the ESA include Miles El Paso Investment, Ltd., located .38 miles from the development site, and vacant property located .28 miles from the development. All reported VCP sites have been issued a Certificate of Completion from the TCEQ according to the ESA report.

The ESA provider did not believe the sites noted above have a negative environmental impact on the proposed development and did not recommend additional assessments or diligence that would need to be performed. Staff recommends the site be found eligible under 10 TAC §10.101(a)(4) on the basis that the environmental characteristics are not of a nature and severity that should render the development site ineligible and based on the preservation of existing occupied affordable housing units that are subject to existing federal rent or income restrictions. Currently, 100% of the units at Chelsea Plaza Apartments are public housing units under Section 9.

Organizational Structure: The Borrower is EP Chelsea, LP and includes the entities and principals as indicated in the organization chart in Exhibit A. The EARAC met on February 17, 2017, and considered the previous participation review documentation associated with the application. In accordance with 10 TAC §1.301(d)(1), the applicant's portfolio is considered an Extra Large Portfolio Category 3. After review and discussion EARAC recommended the aforementioned conditions.

Public Comment: A letter of support was received from David C. Stout, County Commissioner for the county of El Paso.

EXHIBIT A



APPLICATION SUMMARY

PROPERTY IDENTIFICATION		RECOMMENDATION					
Application #	16455	TDHCA Program	Request	Approved			Lien
Development	Chelsea Plaza Apartments		LIHTC (4% Credit)	\$1,123,611	\$1,123,611	\$3,405/Unit	
City / County	El Paso / El Paso		Amount	Rate	Amort	Term	
Region/Area	13 / Urban	Private Activity Bonds					
Population	General	MDLP (Repayable)					
Set-Aside	General	MDLP (Non-Repayable)					
Activity	Acquisition/Rehab 1969-1971	CHDO Expenses					

KEY PRINCIPAL / SPONSOR		
General Partner(s)		
Housing Authority of the City of El Paso (HACEP)		
Alamito PFC (Related-Party Issuer)		
Affordable Housing Enterprises (Contractor)		
Gerald ("Jerry") W. Cichon		
Related-Parties	Contractor - Yes	Seller - Yes

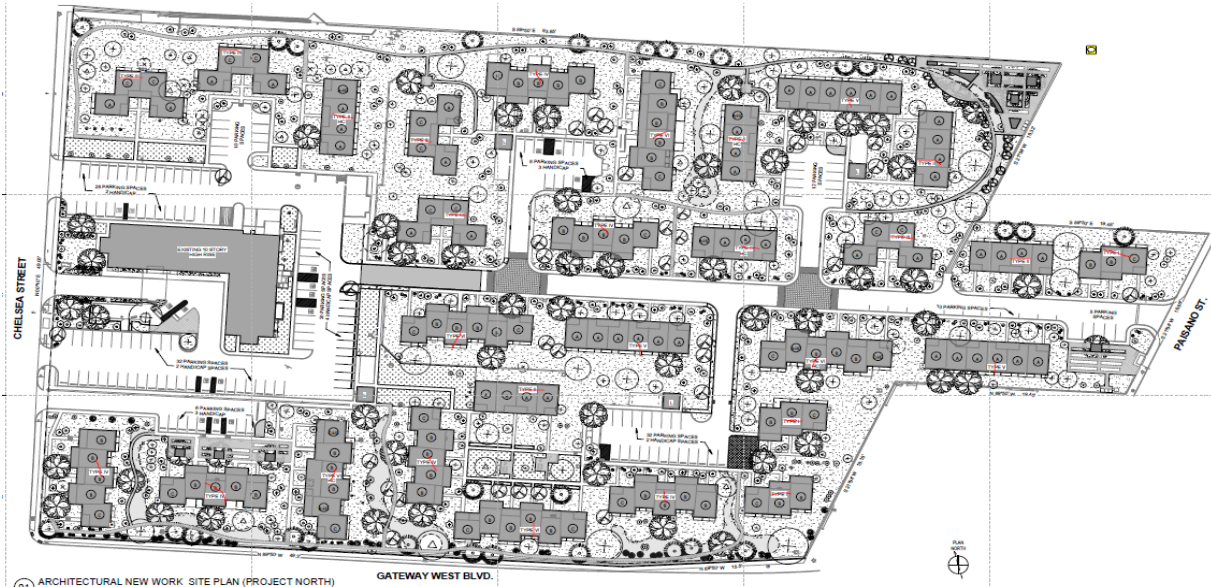
TYPICAL BUILDING ELEVATION/PHOTO



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	198	60%	30%	-	0%
1	131	40%	40%	-	0%
2	1	0%	50%	-	0%
3	-	0%	60%	330	100%
4	-	0%	MR	-	0%
TOTAL	330	100%	TOTAL	330	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	55.6%
Breakeven Occ.	89.5%	Breakeven Rent	\$604
Average Rent	\$641	B/E Rent Margin	\$38
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$4,102/unit	Controllable	\$2,780/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)		5.4%	
Highest Unit Capture Rate	14%	0 BR/60%	198
Dominant Unit Cap. Rate	14%	0 BR/60%	198
Premiums (↑60% Rents)	N/A	N/A	
Rent Assisted Units	330	100% Total Units	

DEVELOPMENT COST SUMMARY			
Costs Underwritten		TDHCA's Costs - Based on PCA	
Avg. Unit Size	475 SF	Density	25.4/acre
Acquisition		\$28K/unit	\$9,150K
Building Cost	\$102.23/SF	\$49K/unit	\$16,029K
Hard Cost		\$56K/unit	\$18,440K
Total Cost		\$123K/unit	\$40,695K
Developer Fee	\$4,735K	(55% Deferred)	Paid Year: 14
Contractor Fee	\$2,582K	30% Boost	No

REHABILITATION COSTS / UNIT			
Site Work	\$2K	3%	Finishes/Fixtures \$17K 30%
Building Shell	\$11K	20%	Amenities \$1K 1%
HVAC	\$16K	29%	Total Exterior \$13K 24%
Appliances	\$2K	3%	Total Interior \$35K 62%

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
PNC Real Estate	40/40	3.85%	\$18,272,000	1.15	HACEP Seller Note	0/0	3.00%	\$9,150,000	1.15	RBC Capital Markets	\$10,673,237
										Developer Fee	\$2,599,494
										Additional (Excess) Funds Req'd	(\$0)
TOTAL DEBT (Must Pay)			\$18,272,000		CASH FLOW DEBT / GRANTS			\$9,150,000		TOTAL EQUITY SOURCES	\$13,272,731
										TOTAL DEBT SOURCES	\$27,422,000
										TOTAL CAPITALIZATION	\$40,694,731

CONDITIONS

1 Receipt and acceptance before Determination Notice:

- * Applicant agrees to have a de novo qualified third party accessibility specialist review all architectural plans to confirm compliance with TDHCA accessibility standards and that such documentation be submitted to the satisfaction of the Department prior to Determination Notice.

2 Receipt and acceptance by Cost Certification:

- * Documentation clearing environmental issues contained in the ESA reports as detailed under the ESA section of this report.

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	Alamito PFC
Expiration Date	4/14/2017
Bond Amount	\$25,000,000
BRB Priority	Priority 3
Expected Close	4/14/2017
Bond Structure	Private Placement

RISK PROFILE

STRENGTHS/MITIGATING FACTORS

- Low Capture rates
- Minimal lease up risk
- Pro forma based on historical expenses
- Developer experience

WEAKNESSES/RISKS

AREA MAP



AERIAL PHOTOGRAPH(S)



BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer (#16407 Fenix Estates, Houston)

RECOMMENDED ACTION

WHEREAS, a 4% Housing Tax Credit application for Fenix Estates, sponsored by the Harris County Housing Authority Public Facility Corporation, was submitted to the Department on October 6, 2016;

WHEREAS, the Certificate of Reservation from the Texas Bond Review Board was issued on October 28, 2016, and will expire on March 27, 2017;

WHEREAS, the proposed issuer of the bonds is the Harris County Housing Authority Public Facility Corporation (“HCHA Public Facility Corporation”);

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the applicant’s portfolio is considered a Medium Category 3 Portfolio and deemed acceptable by Executive Award and Review Advisory Committee (“EARAC”) after review and discussion;

WHEREAS, pursuant to 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose to the Department the existence of certain characteristics of a proposed development site;

WHEREAS, the applicant did not disclose an undesirable neighborhood characteristic, specifically that the Development Site is within the American Society for Testing and Materials (“ASTM”) Standard search distance of a State Voluntary Cleanup Program (“VCP”) listing; and

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood and based on the completion certificate received from the Texas Commission on Environmental Quality (“TCEQ”) recommends the proposed site be found eligible under 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice of \$1,083,940 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 Fenix Estates is hereby approved as presented to this meeting.

BACKGROUND

General Information: Fenix Estates, proposed to be located on the east side of Hussion Street between Tharp Street and Interstate Highway 45 in Houston, Harris County, in a census tract (3103.00) that has a median household income of \$41,250, is in the third quartile and has a poverty rate of 15.00%. Fenix Estates involves the new construction of 200 units; of which 180 units will be rent and income restricted at 60% of Area Median Family Income and the remaining 20 will be at market rate.

The development will provide supportive housing units and will include extensive supportive services space for case managers, health providers, and other social services providers, as well as new offices for the Harris County Housing Authority. The Development is part of an initiative of the City of Houston, Harris County, and the Houston Housing Authority to provide approximately 2,500 permanent supportive housing units. A letter from the Harris County Community Services Department was included in the application that confirmed their intent to transfer rental assistance under their existing HUD Continuum of Care (“CoC”) grant to Fenix Estates. The letter stated that the targeted population for the CoC rental assistance will be homeless single adults, including chronically homeless and veterans and further stated that along with being homeless, the targeted population must also have a disabling condition. Staff has had conversations with the applicant attempting to clarify what funding source allows the development to only serve single individuals with disabilities because the funding source they identified, Permanent Supportive Housing, it is staff’s understanding that it requires serving individuals and families, not just individuals. While staff did not receive the information it needs in order to get comfortable with the targeted population that has been represented, staff informed the applicant that for Department monitoring purposes relating to marketing and tenant selection criteria, the development will be considered supportive housing serving a general population, with no preference or limitation for single adults or single adults with a disability; to which the applicant has acknowledged.

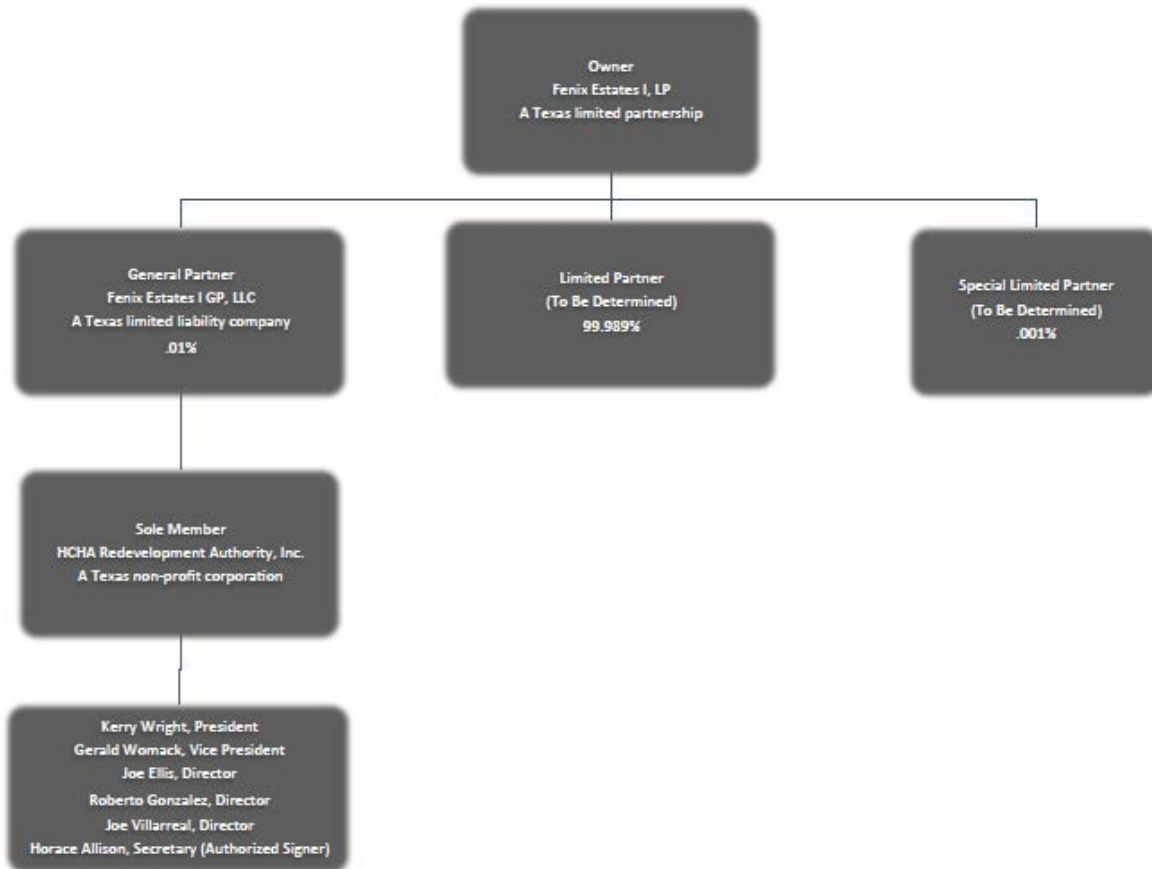
Site Analysis: Although not initially disclosed by the Applicant, staff’s review of the application revealed that the Development Site is within the ASTM search distance of a State VCP which requires further investigation under §10.101(a)(4)(B) of Uniform Multifamily Rules. According to the ESA a VCP site is located in the northern tract of the subject property which contains a small warehouse and two parking areas. Chlorinated solvents and other volatile organic compounds are stated to be on the property. The applicant provided evidence from TCEQ indicating that a Voluntary Cleanup Program Final Certification of Completion for the Development Site, as well as tracts surrounding the west and south side of the Development, were issued August 2, 2016. Proof of filing the Final Certificate of Completion in the real property records of Harris County, Texas was submitted as well.

Under §10.101(a)(4) of the Uniform Multifamily Rules, there is a consideration for acceptable mitigation regarding the undesirable neighborhood characteristics on the basis that there is a factual determination that such characteristic is not of such a nature or severity that it should render the development site ineligible based on acceptable mitigation efforts identified in the rule. After reviewing the aforementioned facts relating to the voluntary cleanup program site, staff believes it leads to a supported conclusion that the Development Site should not be considered ineligible under §10.101(a)(4) of the Uniform Multifamily Rules.

Organizational Structure and Previous Participation: The Borrower is Fenix Estates I, L.P., and includes the entities and principals as illustrated in Exhibit A. The applicant’s portfolio is considered a Medium Category 3 and the previous participation was deemed acceptable by EARAC after review and discussion.

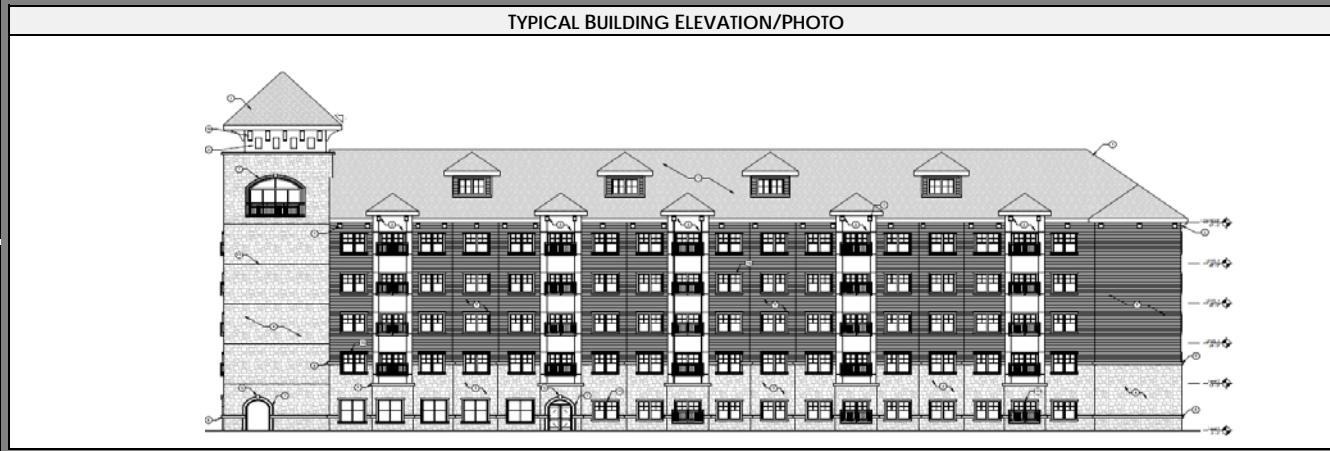
Public Comment: No letters of support or opposition for this Development have been received by the Department.

EXHIBIT A



APPLICATION SUMMARY

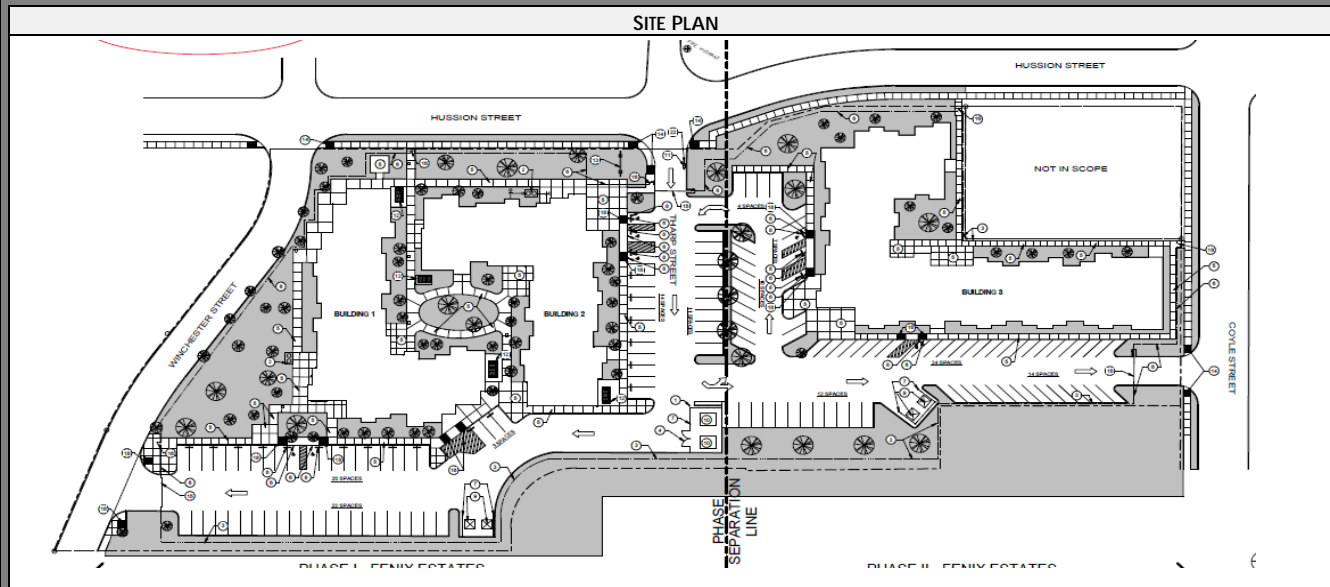
PROPERTY IDENTIFICATION		RECOMMENDATION					KEY PRINCIPAL / SPONSOR			
Application #	16407	TDHCA Program	Request	Approved			General Partner(s)			
Development	Fenix Estates			LIHTC (4% Credit)	\$1,090,119	\$1,083,940	\$5,420/Unit	\$0.92	Housing Authority of Harris County (HACA)	
City / County	Houston / Harris	Private Activity Bonds MDLP (Repayable) MDLP (Non-Repayable) CHDO Expenses	Amount	Rate	Amort	Term	Lien	Developer(s)		
Region/Area	6 / Urban		Housing Authority of Harris County (HACA)							
Population	Supportive Housing		Related-Parties			Contractor - No	Seller - Yes			
Set-Aside	General									
Activity	New Construction									



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	153	77%	30%	-	0%
1	47	24%	40%	-	0%
2	-	0%	50%	-	0%
3	-	0%	60%	180	90%
4	-	0%	MR	20	10%
TOTAL	200	100%	TOTAL	200	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	N/A	Expense Ratio	69.5%
Breakeven Occ.	66.1%	Breakeven Rent	\$519
Average Rent	\$752	B/E Rent Margin	\$233
Property Taxes	\$30/unit	Exemption/PILOT	100%
Total Expense	\$6,071/unit	Controllable	\$3,838/unit



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (30% Maximum)	4.0%
Highest Unit Capture Rate	23% 0 BR/60% 137
Dominant Unit Cap. Rate	23% 0 BR/60% 137
Premiums (↑60% Rents)	No
Rent Assisted Units	180 90% Total Units

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	420 SF	Density	37.8/acre
Acquisition	\$00K/unit		\$10K
Building Cost	\$277.25/SF	\$116K/unit	\$23,287K
Hard Cost		\$146K/unit	\$29,124K
Total Cost		\$216K/unit	\$43,114K
Developer Fee	\$5,046K	(31% Deferred)	Paid Year: 3
Contractor Fee	\$2,994K	30% Boost	No

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
					HCHA (CDBG)	40/40	0.00%	\$14,837,004	N/A	RBC Capital	\$9,972,251	
					City of Houston HUD funds	40/40	0.00%	\$3,900,000	N/A	Harris County Housing Authority	\$481,946	
					HCHA (HOME)	20/20	0.00%	\$2,270,000	N/A	Fenix Estates I GP, LLC	\$1,581,098	
					HCHA (CDBG-DR)	40/40	0.00%	\$6,754,831	N/A			
					GIC Income	0/0	0.00%	\$191,868	N/A	TOTAL EQUITY SOURCES	\$12,035,295	
					Commercial Space Loan - Citi Bank	merc	0.00%	\$3,125,000	N/A	TOTAL DEBT SOURCES	\$31,078,703	
TOTAL DEBT (Must Pay)			\$0		CASH FLOW DEBT / GRANTS				\$31,078,703		TOTAL CAPITALIZATION	\$43,113,998

CONDITIONS

- 1 Receipt and acceptance before Determination Notice:
 - a: Proof of Houston City Council Approval of HOME funds
 - b: Updated Equity Term Sheet
 - c: Updated Ground Lease that reflects a 99 year lease term

- 2 Receipt and acceptance by Cost Certification:
 - a: Certification that a Phase II ESA was conducted as mentioned in Phase I ESA, and that any recommended actions from the report were taken.
 - b: Documentation that all CDBG, CDBG-DR, HOME, or other federal monies being loaned to Applicant are must-pay loans with no provision for forgiveness.
 - c: Attorney opinion validating that all CDBG, CDBG-DR, HOME, or other federal monies being loaned to Applicant 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	Harris County PFC
Expiration Date	3/27/2017
Bond Amount	\$30,000,000
BRB Priority	Priority 3
Expected Close	
Bond Structure	Short-Term Tax-Exempt Loan

RISK PROFILE

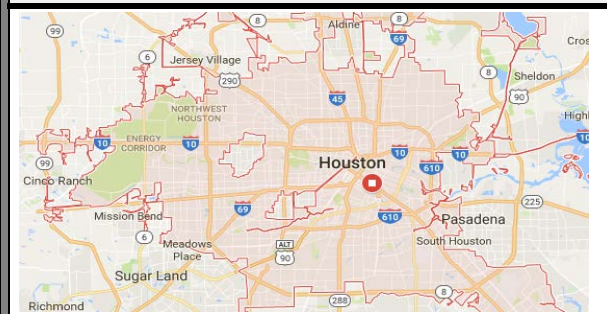
STRENGTHS/MITIGATING FACTORS

- No long term debt service payments
- Feasible without rental assistance
- Break even occupancy
- Low gross capture rates

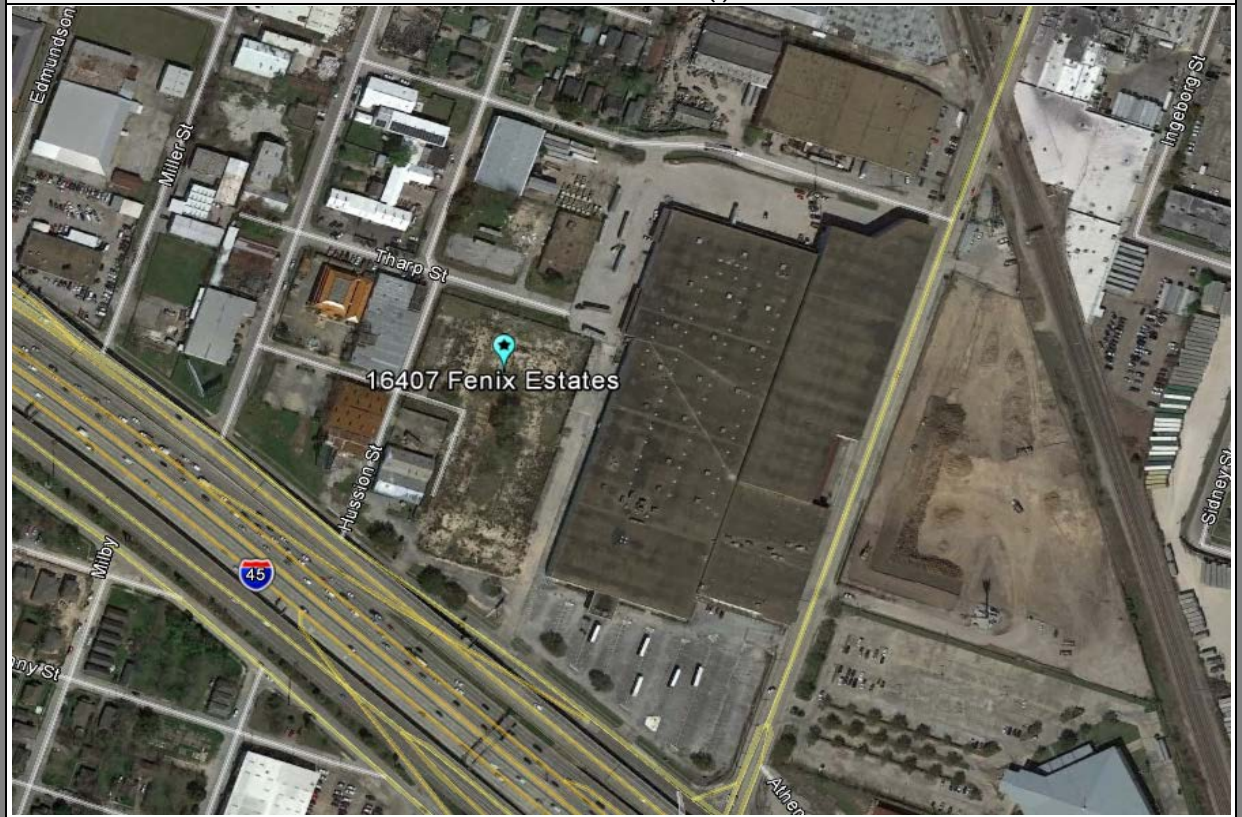
WEAKNESSES/RISKS

- Residential Condo 100% Federally Funded and Subsidized
- Full credit allocation dependent on tax exemption
- Limited parking
- Has REC's

AREA MAP



AERIAL PHOTOGRAPH(S)



1g

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action regarding an Undesirable Site Feature under 10 TAC §10.101(a)(2) for 2017 Housing Tax Credit (“HTC”) Application #17122 Bellfort Park Apartments

RECOMMENDED ACTION

WHEREAS, pursuant to 10 TAC §10.101(a)(2)(E), Development Sites within 500 feet of active railroad tracks may be considered ineligible as determined by the Board 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;

WHEREAS, the Pre-application for Bellfort Park Apartments has provided evidence that the City of Houston has adopted a Railroad Quiet Zone and the proposed site is within that zone; and

WHEREAS, staff has found that the information provided appropriately mitigates the undesirable site feature in keeping with the requirements of 10 TAC §10.101(a)(2), and therefore recommends that the site be found eligible;

NOW, therefore, it is hereby


RESOLVED, that the determination that the development site is eligible as presented at this meeting 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

The Bellfort Park Apartments, located at 4135 West Bellfort Street in Houston, is proposed for Rehabilitation of 64 General population units. In the Pre-application, the Applicant disclosed that the development site is located within 300 feet of a railroad. The Applicant has provided evidence that the City of Houston has adopted a Railroad Quiet Zone that includes the development location, which makes the site eligible under 10 TAC §10.101(a)(2) despite the proximity of railroad tracks.


Staff recommends that the site be determined an eligible site.

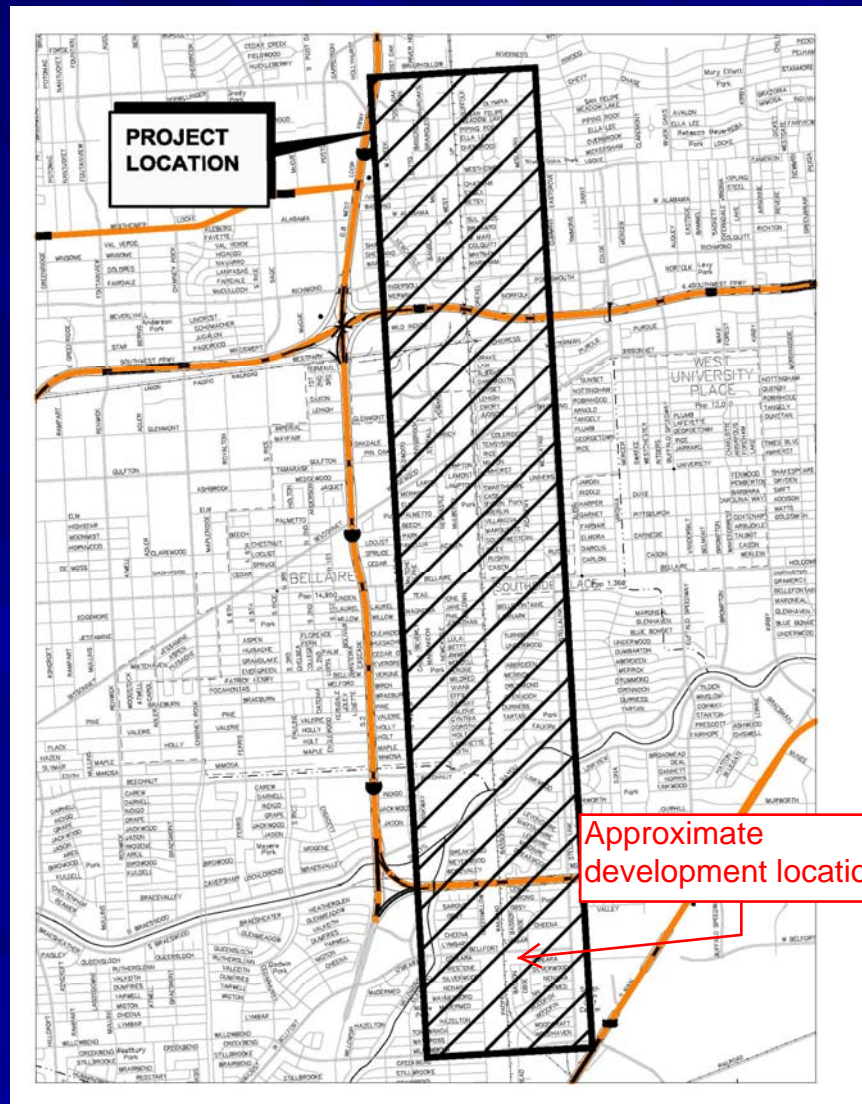
Existing Conditions

 The West Loop Quiet Zone is a 6.4 mile corridor just east of and generally parallel to IH 610 West Loop and South Post Oak Road in Houston, Texas.

 The corridor incorporates one private at grade crossing owned by CenterPoint Energy and 13 public at grade crossings operated by Union Pacific Railroad Company.

 Two of the crossings are within the cities of Bellaire and West University Place. These cities shared in the initial cost of the project.

 Mixed land use of residential, and commercial along the corridor.



City Council Chamber, City Hall, Tuesday, September 13, 2005

A Regular Meeting of the Houston City Council was held at 1:30 p.m. Tuesday, September 13, 2005, Mayor Bill White presiding and with Council Members Toni Lawrence, Carol M. Galloway, Mark Goldberg, Ada Edwards, Addie Wiseman, M. J. Khan, Pam Holm, Adrian Garcia, Carol Alvarado, Mark Ellis, Gordon Quan, Shelley Sekula-Gibbs, M.D. and Michael Berry; Mr. Harlan Heilman, Division Chief, Claims & Subrogation Division, Legal Department; Ms. Debra Dillard, Mayor's Citizens Assistance Office; Ms. Marty Stein, Agenda Director; Mr. Jose Soto, Assistant Agenda Director present. Council Member Ronald C. Green absent on personal business.

At 2:04 p.m. Mayor White stated that Council would begin presentations and called on Council Member Edwards. Council Member Edwards stated that once again they had the honor of presenting three outstanding city employees the Bravo Award and would be celebrating Mr. Scott Mellott of the Fire Department, Mr. Clarence Mitchell with Aviation and Ms. Katherine Swilley with the Police Department. Mayor White invited Mr. Scott Mellott to the podium and stated that he worked diligently as a firefighter and friend to family members of firefighters who died in the line of duty and Chief Boriskie applauded him for being an asset and friend and presented Mr. Mellott his Bravo Award; next Council Member Edwards invited Mr. Clarence F. Mitchell to the podium and stated that he was an airport security officer at Hobby Airport and had continuously been recognized for his outstanding performance in providing superior customer service to travelers and on one occasion put himself in harm's way and presented Mr. Mitchell his Bravo Award; and Mayor White then invited Officer Katherine A. Swilley and those present with her to the podium and stated that Officer Swilley was asked to tackle a problem in serving arrest warrants in the courtroom whereas on numerous occasions motorists who were ticketed came to court with outstanding warrants and Officer Swilley developed a plan and netted more than \$178,773 in fines the first month, resulted in 362 arrests and cleared 894 cases and presented Officer Swilley her Bravo Award. Officer Swilley stated that she could not have done it alone; that people were as good as their leaders and asked Capt. Perry and Lt. Kelley to stand; and stated that without the bailiffs she would not be able to make any arrests and all should give them a hand. Council Members Quan and Berry absent

Council Member Galloway invited Mr. Bud Johnson to the podium and stated that he was a warrior from way back; and presented him a Proclamation for his impressive career in journalism and proclaimed September 13, 2005, as "Bud Johnson Day", in Houston, Texas. Mr. Johnson thanked the Mayor and Council for the Proclamation. Council Member Berry absent

Mayor White stated that it was his pleasure to present the next presentation to Officer Izaguirre who became a Houston Police Officer in 1999 patrolling the Second Ward and by his show of concern developed a trusting relationship and became a role model; and presented a Proclamation to Officer Izaguirre, a Houston Hero, and proclaimed September 13, 2005, as "Officer Ignacio Izaguirre Day", in Houston, Texas. Officer Izaguirre thanked God for all his blessings and stated that he was very proud to be a Houston Police Officer, this was a great honor. Council Member Berry absent.

At 2:28 p.m. Mayor White called the meeting to order and called on Council Member Wiseman who led all in prayer and in the pledge. Council Member Berry absent.

At 2:09 p.m. the City Secretary called the roll. Council Member Green absent on personal business. Council Member Berry absent.

Council Members Alvarado and Galloway moved that the minutes of the preceding meeting be adopted. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Berry absent. MOTION ADOPTED.

MATTER HELD

1. ORDINANCE approving and authorizing one or more contracts to provide for the disbursement of per diem payments to shelter-providers for a specific period of time, subject to certain limitations; making findings and provisions related to the subject; and declaring an emergency - Not to exceed \$500,000 - Hurricane Katrina Aid and Recovery Fund - POSTPONED BY MOTION #2005-884, 9/8/05 – was presented.

Mayor White stated that the topic would be addressed in some items coming out of the Legal Department and the County would be addressing similar issues with FEMA reimbursement, as well as work being done in other counties which helped to obtain a common objective in sharing the maximum FEMA reimbursement. Council Member Berry absent.

Council Member Alvarado moved to refer the item back to the Administration, seconded by Council Member Sekula-Gibbs. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Berry absent. MOTION 2005-0885 ADOPTED.

Mayor White stated that there may be more things in progress and they would try and get them on the Agenda as quickly as possible to make sure no one slipped through the cracks and with no compromise to the taxpayers. Council Member Berry absent.

Council Member Edwards moved that the rules be suspended for the purpose of hearing Mr. Michael Lee at the top of the speakers list, seconded by Council Member Khan. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Member Berry absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0886 ADOPTED.

Council Member Lawrence moved that the rules be suspended for the purpose of hearing Mr. Jack Lee at the top of the list for three minute non agenda speakers, seconded by Council Member Khan. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Member Berry absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0887 ADOPTED.

Council Member Ellis moved that the rules be suspended for the purpose of hearing Ms. Annie Marie Delgado at the top of the non agenda speakers, seconded by Council Member Khan. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Member Berry absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0888 ADOPTED.

Council Member Holm moved that the rules be suspended for the purpose of hearing Mr. Brandt Manchen and Dr. Nadine Jarmon after Ms. Annie Marie Delgado, seconded by Council Member Khan. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Member Berry absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0889 ADOPTED.

Council Member Galloway stated that as a point of privilege she wanted to announce Council Member Green was the proud Papa of a young son today and would not be present. Council Member Berry absent.

Mr. Michael Lee, 5504 Ardmore, Houston, Texas 77021 (713-748-6973) appeared and stated that the Mayor's Office had asked the South McGregor Civic Club to present an alternate plan for their vision dealing with the Columbia Tap and basically they were asking it not to be extended from South McGregor to Dixie Drive and the only difference in their plan was that temporarily they would not locate the bike trail behind several residents, but the problem was still neighborhood security and the connection to Dixie Drive; that the City traffic study showed heavy bicycle traffic on Dixie which met the truck traffic but he received through the Traffic department the study which showed about three bicycles per day on Dixie and about 400 trucks

per day so something was incongruous with the City's need to connect to Dixie; that they were also asking for a separate pedestrian bridge over Brays Bayou to be deleted and incorporate a new bridge over Brays at Ardmore Street as it would capture pedestrian traffic from both the east and west side of the bayou. Council Members Galloway, Khan and Garcia absent.

Upon questions by Council Member Lawrence, Mr. Lee stated that the alternate trail was the same distance as the proposed trail connecting to Dixie and they were told it was temporarily not being put behind the homes; that the proposed trail area was owned by Houston Belt and Terminal. Council Members Galloway and Khan absent.

Upon questions by Council Member Edwards, Mr. Lee stated that they were told in a meeting with Mr. Marcotte that they would propose the trail not be put behind the homes but they desired it to be behind the homes in the future, this would be temporary; and Council Member Edwards stated that she would have to check because they did not normally do plans based on temporary moves; and Mayor White stated that she was exactly right and they would have to go back to Council, or whatever, there was nothing saying it was temporary and if it was in the contract they would strike it out of there. Council Members Galloway and Khan absent.

Mr. James Moore, 4900 Floyd, Houston, Texas 77007 (832-687-2510) appeared and stated that when community access television first started he understood it was free for the public, but today they paid hundreds of dollars to put on a show with training, etc., community access should be more accessible not less accessible; that an amendment by a Council Member was proposed so all programming would have staff review prior to transmitting, but in the Houston Library he had copied pictures from books which were disturbing and one was a man masturbating, a transsexual with a dead fetus, and continued to go over pictures and further stated that they were in and paid for by the Houston Library and if they opened this "Pandora's Box" where else would they go. Council Members Lawrence, Galloway, Khan and Garcia absent.

Mr. Josh Bullard, 3328 McGowen, Houston, Texas 77004 (281-236-7518) appeared and stated that on Item 20 it seemed LARA just did not get enough, why buy private property, the group was so small and they needed to be kept on a small leash; that they were currently being audited and it was not complete so why appropriate \$800,000.00 more for them; that Council Member Edwards was adamant about not giving them power to buy; and he could not see them not going through a clear checks and balances process. Council Member Garcia absent.

Council Member Quan stated that there were concerns at the committee meeting and the money was running out and they wanted it before Council; that tomorrow Mayor White would make a presentation on how the LARA program was working and Council would be able to ask questions or vote at that time. Council Member Garcia absent.

Ms. Annie Marie Delgado, 4136 Beech Avenue, Palm Beach Gardens, Florida 33410 (561-346-4473) appeared and stated that she thanked Mayor White for his leadership and the Council Members with respect to Hurricane Katrina hitting their doorstep; that at the request of her Mayor she came to Houston as they put together a variety of country clubs to consider hiring people and they had come up with 125 jobs and housing; that she did thank Council Member Ellis and his staff for helping her get set at the GRB, but it was slow coming and she hoped they could help her in getting the word out; that they did have the vouchers set up to get them out, but she found many of those who were Spanish only got news from the Spanish stations and she was asking help from that media in getting the word out also and would like to be able to go to the hotels they were housed to give information. Council Member Galloway absent.

Mayor White stated that they would get her a list of hotels. Council Member Galloway absent.

Council Member Ellis thanked Council Member Delgado for coming and trying to assist in getting jobs; and upon questions, Council Member Delgado stated that they had all jobs from engineers to bus boys; that they had housing for them and even had homes for those with families and Continental would be flying them with their voucher; and upon further questions by Council Member Ellis, Council Member Quan stated that he thanked her for coming also and if she would be present Saturday they were having a job fair at a community college and Palm Beach was a wonderful option; and they would get information to her. Council Member Galloway absent.

Council Member Garcia thanked Council Member Delgado for coming and stated that they had been working diligently with the consulates office trying to get word out; that the Mexican Red Cross had not been applauded enough, working around the clock; and he thanked her for her leadership here and would give her his card. Council Member Galloway absent.

Upon questions by Council Member Sekula-Gibbs, Ms. Delgado stated that her number was 561-346-4473 and her E-mail would be adelgado@bluebuzz.net; and she was on the third floor at the George R. Brown Convention Center, room 304. Council Member Galloway absent.

Council Member Khan stated that it was great the way the whole country came together and they appreciated her coming; that he would ask for a comment from the Mayor as to when the emergency needs were addressed and jobs were found, the similar leadership was what it would take for all people to be placed in jobs; and he would like him to share information; and Mayor White stated that there were hundreds or thousands employed locally and tens of thousands who evacuated here and he was not discouraging anyone from taking an initiative, but he did convene a meeting yesterday for Houston's existing residents to make sure they were not pushed out of line for employment and for the new residents; that all new civic processes be improved and it included CEO's of large private sector employers, the leadership of the Greater Houston Partnership, and of the AFL/CIO, the Urban League, etc., so employers throughout the nation offering jobs could be loaded there; that three taskforce came from this, one to link all websites, second was to come up with a coordinated training plan, third was a whole series of jobs, the more the better, and facilitating background checks and drug testing and it was all in progress. Council Member Galloway absent.

Mr. Brandt Mannchen, 5431 Carew, Houston, Texas 77096 (713-664-5962) appeared, presented information to Council Members and stated that he was present representing the Houston Sierra Club and wanted to speak on supporting and fully staffing the Bureau of Air Quality Control in the City of Houston's Health Department; that it was the only agency whose primary mission was to protect Houstonians from air pollution; that they did not blame Mayor White for not signing the contract with the Texas Commission on Environmental Quality and understood the importance the Mayor placed on the City of Houston's responsibility to initiate enforcement action against air polluters and they supported that, but they believed there was still an opportunity for accommodation between the two parties and they supported no downsizing of the bureau of air quality control, to fully fund and fully staff the bureau in 2006 and 2007, a statement to the BAQC from Mayor White about his commitment to the bureau and the Sierra Club offered their assistance in developing a new air pollution program at the BAQC; and encouraged the Mayor to give Houstonians the gift of life, a breath of fresh air. Council Members Galloway and Ellis absent.

Council Member Alvarado stated that they had tried hard to have a contract with the TCEQ, but what they wanted was really meaningless and stripped away the City's enforcement authority and she hoped they would talk with state legislatures and have TCEQ enter into a more meaningful agreement with the City; and Mr. Mannchen stated that they had contacted the TCEQ and would continue. Council Members Galloway and Ellis absent.

Council Member Edwards moved that the rules be suspended for the purpose of adding Ms. Krystal Muhammad and Mr. Sean Jackson to the list of speakers, seconded by Council

Member Khan. All voting aye. Nays none. Council Member Green absent on personal business. Council Members Galloway and Ellis absent. MOTION 2005-0890 ADOPTED.

Mayor White stated that Dr. Jarmon was now the City's colleague, she was head of the New Orleans Housing Authority and had been working with the City of Houston as a member of the team and if there was a motion by consent she could introduce her colleague. Council Members Galloway and Ellis absent.

Council Member Alvarado moved that the rules be suspended for Dr. Jarmon to introduce her colleague, seconded by Council Member Sekula-Gibbs; and Mayor White stated that if there was no objection it would be done by consent. Council Members Galloway and Ellis absent.

Dr. Nadine Jarmon, appeared and stated that with her was Deputy Director of the Housing Authority, Mr. Eugene Jones, and she wanted to take the opportunity to thank the Mayor and Council for having them; that she was an evacuee and the Executive Director of the Housing Authority in New Orleans; that as an evacuee she did choke up at times, but as her role as deputy director she needed to come give thanks for allowing them to come to Houston; that the Housing Authority of New Orleans had over 9,000 Section 8 vouchers and over 6,000 hard public housing units, over 17,000 who had now migrated here; that she thanked all who embraced them; Mr. Etuk allowed them to operate a sub station out of their brand new building on relocation efforts; Mr. Walsh allowed them at the table for every meeting with FEMA; the County was great and so was Rep. Sheila Jackson Lee; that as an evacuee she spent four days on the roof of her building until a boat came and then a bus and then to the Dome; that sometimes her Deputy Director did have to speak for her, this was more than numbers or money, it was severely impacted people; and she wanted to come and thank each personally for reaching out to the New Orleans community. Council Members Galloway and Ellis absent.

Mr. Jones, Deputy Director of New Orleans Housing stated that on behalf of HANO, Dr. Jarmon and Dr. Moon they were a team graciously hosted here by Mr. Etuk of the Houston Housing Authority and treated very well; that they were included in all meetings and were only present to help. Council Members Galloway and Ellis absent.

Mayor White stated that it was this City's honor to have them and thanked them for coming. Council Members Galloway and Ellis absent.

Council Members thanked Dr. Jarmon and Mr. Jones for coming and sharing and stated that they were neighbors and guests and wanted to make sure they were treated right. Council Members Galloway and Ellis absent.

Mr. Ovide Duncantel, 8002 Crestwick Dr., Houston, Texas 77083 (281-561-6606) had reserved time to speak but was not present when his name was called. Council Members Galloway and Ellis absent.

Ms. Hedi Sweetnam, 3015 Richmond, Houston, Texas 77098 (713-522-0590) appeared, presented information and stated that she was executive director of Blueprint Houston, a nonprofit independent organization committed to working with Houston to develop a comprehensive plan for the long-term future of this city, its quality of life and economic prosperity which required evaluating growth and they would be holding a public workshop Saturday at the Hilton Hotel at the U of H jointly sponsored by the Houston Galveston Area Council and themselves and called Envision Houston; and they were inviting the Mayor and Council to participate from 8:30 a.m. to 12:30 p.m. and encouraged all to participate. Council Members Galloway and Ellis absent.

Council Member Lawrence stated that she was looking forward to their participation; and upon questions, Ms. Sweetnam stated that it would be at the University of Houston Hilton located at 4800 Calhoun; and Council Member Lawrence stated that she did thank them for all

they were doing. Council Members Galloway and Ellis absent.

Ms. Robin Holzer, 1306 Fairview, Houston, Texas 77006 (713-301-5716) had reserved time to speak but was not present when her name was called. Council Members Galloway and Ellis absent.

Ms. Lesly Van Dame, 2902 Briarhurst Dr., No. 1004, Houston, Texas 77057 (713-789-2263) appeared and stated that she was present to support Mr. Brandt Mannchen's recommendation that they right size the Bureau of Air Quality Control and wanted to express her great appreciation on the decision to retain their right to enforce air quality standards; and urged a right decision. Council Members Galloway, Goldberg, Holm and Ellis absent.

Mayor White stated that he wanted to pass out to Council at this time information so they would have the school enrollment figures for the areas; that most have been doing well but the numbers were climbing significantly each day and he did encourage them to be in school so they would not have to be caught up on so much; that there would be adjustment issues and incidents, but he was glad they were able to respond; and Council Member Lawrence stated that enrolment figures for private schools were astonishing also; and she did compliment all school districts for making the children feel welcome and continuing their education. Council Members Galloway, Holm and Ellis absent.

Ms. Treneka Houston-Lewis, 5801 W. Sunforest Dr., Houston, Texas 77092 (713-680-9114) had reserved time to speak but was not present when her name was called. Council Members Galloway, Goldberg and Ellis absent.

Mr. Frank McGhee, Jr., 7707 Bankside Dr., Houston, Texas 77071 (713-271-5525) appeared and stated that he was pastor of St. Paul Baptist Church and was present with Endeavors in Excellence; that he helped provide them counseling service and the major aspect he wanted to share was to encourage the Council to support Endeavors and invite them to 1919 Northwest Loop, Suite 190, 8:30 a.m. to 5:00 p.m., Monday through Friday. Council Members Galloway, Goldberg and Ellis absent.

Mayor White stated that they did appreciate him coming and all that they had accomplished. Council Members Galloway, Goldberg and Ellis absent.

Ms. Krystal Muhammad, who was previously added to the speakers list, appeared with others and stated that they were present in reference to issues not being addressed; one being that tomorrow Frances Newton was still scheduled to be executed, but the main issue was the conditions in which those from New Orleans were being treated and there one question was where were all the White persons from there being held and what conditions were they being placed under in receiving assistance from FEMA because some people were in places three days standing in lines and tensions for African Americans were growing; that a riot at Jones High School broke out between students because children were displaced and not receiving correct treatment; that they were also being told people would be forced out by September 18th because of games and they wanted to know if it was true and where would they go. Council Members Lawrence, Galloway, Goldberg, Sekula-Gibbs and Berry absent.

Upon questions by Council Member Edwards, Ms. Muhammad stated that they were given dates of September 18th and 25th; and Council Member Edwards stated that there had been no date for anyone to be put out as far as she knew and she had been attending meetings. Council Members Lawrence, Galloway, Goldberg, Sekula-Gibbs and Berry absent.

Mayor White stated that she had raised three issues, first the facility and the Red Cross cards and they had done every thing they humanly could do; and Ms. Muhammad stated that they did not believe so. Mayor White stated that they had asked Red Cross and National Red Cross to set up facilities outside the area and allow cards and checks to be provided, which was

normally not done, that they had numerous volunteers and many city employees to do as much as possible; that they identified facilities and Red Cross had a shortage of cards and Mr. Fontaine had done a great job working over night with the National Red Cross audit to allow more checks to be issued at locations, but originally at St. Agnes and then taken other places and they had them waive those procedures and allow FEMA registration; that the stumbling block was how many cards they had and their capacity to write checks; that he could not direct the National Red Cross to create debit cards, he tried, Red Cross had done a lot and he wanted more; that one function was to get people registered with FEMA so they could get checks mailed to them and hundreds, if not thousands, were waiting with PCPs to help them often between 7:00 p.m. and 7:00 a.m. at the NAACP, the Urban League, LULAC, ACORN, etc., just to get them registered and he would encourage other organizations to do the same; that her other issue was the goal of allowing people to live outside the shelter environment and people were working overtime and a record number were in apartments, people were not going to be taken and drug out of facilities but there were goals to get them out as soon as possible; and Ms. Muhammad stated that there were going to be gangs breaking out and they were concerned and also where were the White citizens being housed; and Mayor White stated that the City of Houston had not discriminated against people based on anything and there were thousands of people of all races in homes of friends, relatives, etc.; and Ms. Muhammad stated then he was saying all Whites were in homes of friends; and Mayor White stated that he did not say that; Ms. Muhammad stated that they were computer literate and if they would get some they could do it, they were willing to assist; and Mayor White stated they would take them up on their offer so if they would set something up or provide shelters they would take them up on it. Council Members Galloway, Goldberg, Quan and Berry absent.

Council Members thanked Ms. Muhammad for coming and giving input and stated that all was being done for all displaced and they wanted all to remain peaceful with smooth transitions; and asked for her continuing help and leadership. Council Members Wiseman, Ellis and Berry absent.

Mr. Sean Jackson, who was previously added to the speakers list, appeared and stated that he was an evacuee and living in the domes; that he had a first hand look and the hospitality was gone; that numerous people were telling the children to get and last night they tried locking the doors at the Reliant Center where he was housed; that a girl was supposedly raped last night, but no one supposedly saw anything; that a man worked for Reliant and was by the showers all day; that he pulled people from the armed services aside and said children were taking a shower and he was all up in there with them; that a child went to him also and told him the man was in there just looking at them and he did not understand Spanish, but when he went to his comrade, another officer, by looking at his expression he did not care, but he told them that the man kept staying around in the showers and if he went in there and saw him he was going to hurt him because he knew what he was doing and they were supposed to be U. S. officers, but they all just flocked together around the bathrooms and the man was still in there; that tensions were very high now and people were placing hands on them. Council Members Wiseman, Ellis and Berry absent.

Council Member Khan stated that any criminal incident was horrible and should not be allowed; that people were living in shelters together and it was not a picnic so there was bound to be a lot of tension and that was why the Mayor's goals were set to get them out and living in private residences; and he felt the leadership should be commended, because the Mayor recognized it, his hat was off to those from New Orleans for not having more incidents and they were trying to get them out and in places of dignity; and Mr. Jackson stated that he had been telling everyone he was a certified carpenter and had cards in his pocket and they should get him to a union and he could get a job; and Mayor White stated that he met with representatives of the Carpenters Union earlier in the morning and they were preparing for a shortage of carpenters because they were going to be at the frontline of rebuilding a great American city and his skills were needed; and someone should get him transported to the Hall. Council Members Wiseman, Ellis and Berry absent.

Council Member Quan stated that they took what he said seriously and Mayor White was pushing people and trying to find locations for them; and upon questions, Mr. Jackson stated that in New Orleans he lived with his girlfriend; and Council Member Quan stated that there were lots of options and they wanted all to see them; that jobs were also being offered in other cities; that right now the limit for an apartment was two weeks and they knew that was not enough; and he would see what they could do; and Mayor White stated that Mr. Jackson communicated effectively and there was a housing center at Reliant and they were putting one at the George R. Brown and options were being added daily, point one was that when he left today he could look at the agreement they reached which provided extension of the hotels and motels spaces, they would be reimbursed; that also people with skilled trades were going to be very needed and important in the rebuilding efforts, there would be lots of carpentry and Mr. Fontaine was trying at this time to get in touch with the Carpenters Union; and they were trying to make sure nothing slipped through the cracks with bad communication. Council Members Wiseman, Ellis and Berry absent.

Council Member Edwards stated that maybe Mr. Fontaine could meet with them and get something set up in the process; and Mr. Fontaine stated that Mr. Jackson had an appointment at 8:30 a.m. tomorrow morning for a job; and Council Member Quan stated that he liked Council Member Edwards suggestion for Mr. Fontaine to meet with the group and talk about ongoing efforts. Mayor White, Council Members Galloway, Wiseman, Ellis and Berry absent. Mayor Pro Tem Alvarado presiding.

Mr. Jack Lee, 2475 Underwood, Houston, Texas 77030 (713-539-3922) appeared and stated that he was representing the affected portions of Acres Homes, Oak Forest and Candlelight Estates with regards to the Roslyn Bridge under plans on South Rosslyn; that they did intend to make a presentation at the Regulatory and Planning Development Committee at the next meeting refuting the arguments of the Legal Department and would also present alternatives to placate the City's fears of litigation; that among alternatives the neighborhoods did offer to purchase one of the lots from the developer so he would not suffer a hardship for being a good neighbor; that he responded to Legal and touched on the limited relevance of cases the City cited and as yet they had not responded; and he had also E-mailed all Council Members. Mayor White, Council Members Galloway, Wiseman, Ellis and Berry absent. Mayor Pro Tem Alvarado presiding.

Council Member Quan stated that at his previous presentation he asked for a Legal opinion which they gave him stating there would be reversed condemnation and therefore the bridge should be built; and Mr. Lee stated that they did not say reverse condemnation, but said it would expose the City to various legal issues and cited cases and in his response he discussed the merger of all properties under one ownership which was relevant and at this time was waiting for response from Legal; and Council Member Quan stated that at least a channel of communication was ongoing and to keep them informed. Council Members Galloway, Wiseman, Ellis and Berry absent.

Council Member Lawrence thanked Mr. Lee for coming and stated that hopefully Legal could work this out without going back to court; that the neighborhoods were very active and with his leadership she hoped it could be solved; that the builder was permitted before Mayor White came, but she would appreciate Legal being responsive to him. Council Members Galloway, Wiseman, Holm, Ellis and Berry absent.

Council Member Goldberg moved that the rules be suspended for the purpose of hearing Ms. Gloria Udoh and Ms. Eva Cotton at this time, seconded by Council Member Khan. All voting aye. Nays none. Council Member Green absent on personal business. Council Members Galloway, Edwards, Wiseman, Holm, Ellis and Berry absent. MOTION 2005-0890 ADOPTED.

Ms. Glory Udoh, 12119 Fondren Bend Dr., Houston, Texas 77071 (713-705-4155) appeared and stated that she wanted to thank all for what they were doing and was present representing the mentally ill and had brought with her water, olive oil and salt; that the water was a symbol of thanks; salt a signification that the people here in Houston were the salt of the earth; that the oil was a symbol of sanctification; that she believed in prayer and wanted to say no one would have believed what had been done here in this time; that children were important and she thanked Mayor White for paying attention to them and she would like a space to provide counseling. Council Members Galloway, Edwards, Wiseman, Holm, Ellis and Berry absent.

Mayor White thanked Ms. Udoh for coming with such a positive infectious attitude. Council Members Galloway, Edwards, Wiseman, Holm, Ellis and Berry absent.

Council Members thanked Ms. Udoh for coming with her positive attitude and for her work; and stated that many at the Council table were trying to make the new guests to the city feel welcome and hoped others understood everything that could be done was. Council Members Galloway, Edwards, Wiseman, Holm, Ellis and Berry absent.

Ms. Eva Cotton, 15330 Ella Blvd., Houston, Texas 77090 (832-286-1965) appeared and stated that she was proud to call Mayor White her Mayor; that she was the public relations part of Endeavors, an organization in existence five years with an objective of job placement for those with disabilities and there were many disabilities, some hidden and some visible, two of whom were present with them today; they provide them transportation also and she committed to join Ms. Thelma Scott in her fight because of the work she was doing and they were set up at the Reliant Center for job placement and many did want to return to the workforce; that they now had 300 applicants and they were ready to put them to work and needed to contact employers, transport them to interviews, provide them job training and job coaching; and today was appealing for funds for their organization. Council Members Galloway, Edwards, Wiseman, Holm, Alvarado, Ellis and Berry absent. (NO QUORUM PRESENT)

Council Member Quan stated that they had asked about funding and he knew the Mayor had empowered a board for the Katrina relief fund and they just met so as programs such as theirs seek funding was there a way to apply; and Mayor White stated that those who provided shelter, housing for people with special needs would be at a premium and if someone had housing for someone with special needs characteristics there would be plenty of opportunities; and Council Member Quan stated that he honored the work she and Thelma and the group were doing, Katrina was unexpected and not planned for and he was trying to find funding which would be available to them and they would be glad to give her the Job Fair information; and Commissioner Thelma Scott stated that they had adopted the couple from New Orleans who were present with them and they would be working one on one with them trying to find housing and assistance. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Alvarado, Ellis and Berry absent. (NO QUORUM PRESENT)

Council Member Khan stated that someone from his office was coming at this time with the Job Fair information for them. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis and Berry absent. (NO QUORUM PRESENT)

Mr. Trent Winters, 7967 W. Airport, Houston, Texas 77071 (713-729-1153) had reserved time to speak but was not present when his name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis and Berry absent. (NO QUORUM PRESENT)

Ms. Tamera Bailey, 5607 Waltrip, Houston, Texas 77087 (832-654-1220) had reserved time to speak but was not present when her name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis and Berry absent. (NO QUORUM PRESENT)

Mr. Steven Williams, No Address, (No Phone) had reserved time to speak but was not present when his name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis and Berry absent. (NO QUORUM PRESENT)

Ms. Tracy Kristynik, 19611 River Rock, Katy, Texas 77449 (281-345-8802) had reserved time to speak but was not present when her name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis and Berry absent. (NO QUORUM PRESENT)

Ms. Nancy Reifler, Post Office Box 721463, Houston, Texas 77272 (281-494-3398) had reserved time to speak but was not present when her name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis and Berry absent. (NO QUORUM PRESENT)

Ms. Vonnie Houston, 1319 Wichmann, Houston, Texas 77007 (713-880-8357) had reserved time to speak but was not present when her name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis and Berry absent. (NO QUORUM PRESENT)

Mr. Stephen Onibayo, 1319 Wichmann, Houston, Texas 77007 (713-880-8357) had reserved time to speak but was not present when his name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis and Berry absent. (NO QUORUM PRESENT)

Ms. Tracy Leonia, 1316 Wichmann, Houston, Texas 77007 (713-869-8680) had reserved time to speak but was not present when her name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis, Quan and Berry absent. (NO QUORUM PRESENT)

Ms. Oreather Valentine, 10522 Juniper Glen Dr., Houston, Texas 77041 (713-849-6858) had reserved time to speak but was not present when her name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis, Quan and Berry absent. (NO QUORUM PRESENT)

Ms. Rosie Thompson, 9200 Bissonnet, No. 1007, Houston, Texas 77074 (713-988-5245) had reserved time to speak but was not present when her name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis, Quan and Berry absent. (NO QUORUM PRESENT)

Ms. Dorothy Rucker, 16000 Cotillion, No. D13, Houston, Texas 77060 (281-260-7092) had reserved time to speak but was not present when her name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis, Quan and Berry absent. (NO QUORUM PRESENT)

Mr. Mirza Negron, 26 Federal Plaza, New York, New York 10278 (212-542-7600) had reserved time to speak but was not present when his name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Alvarado, Ellis, Quan and Berry absent. (NO QUORUM PRESENT)

Mr. James Morgan, 7211 Tickner, Houston, Texas 77055 (832-228-6548) appeared and stated that he was a small builder in Houston and his wife was in public affairs for an oil company so he knew of all the coordination which went on during a disaster such as Katrina; that he had volunteered a lot and the City of Houston had done an outstanding job; that so many came to help they had to turn them away and it was all races and ages and he believed they took their lead from the Mayor and Council; that from his standpoint it was an unbelievable

job done by the City and citizens and he felt they had a unique job to expand on this and they looked like the best governmental body in the nation from any standpoint at this time so maybe they could move and get state or federal funding to move forward on development. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Alvarado, Ellis and Berry absent. (NO QUORUM PRESENT)

Upon questions by Mayor White, Mr. Morgan stated that he was a small home builder; and Mayor White stated that he felt he was right, there was opportunity for them to do things; and upon questions, Mr. Morgan stated that he built from \$150,000 to \$400,000 homes, with a lot in the First Ward now; and Mayor White stated that there were many where that price range would be high; that Houston was one of the few places in the country where the middle class could live in the city limits and he would like him to spread the word that they should do something here and get things done; that there was no sense to have so much undeveloped land in the city when people were needing houses; that builders did need to make a margin but they wanted to move on a real variety of price range homes; and Mr. Morgan stated that he thought it could be done. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Ellis and Berry absent. (NO QUORUM PRESENT)

Ms. Betty Ross, 5606 Hickman, Houston, Texas 77027 (281-222-5219) appeared, presented information to Council Members and stated that she liked to focus on the positive and knew they were struggling with this recent tragedy; that she did applaud Mayor White for all that was being done; and people were pointing fingers and saying things, but she was educated in art, small engine repair, etc., what she presented showed what she had to offer; and wanted to know if she could be included in the recovery efforts; that her heart went to children. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Ellis and Berry absent. (NO QUORUM PRESENT)

Mayor White stated that he did not know the website here, but the SBA was composing a list on reconstruction sites and would post it and she could check that listing. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Ellis and Berry absent. (NO QUORUM PRESENT)

Mr. Tim Campbell, 208 Caylor, Houston, Texas 77011 (713-928-6119) appeared, presented information and stated that he lived at 4326 Brookfield Drive, 77045 and also had a residence at 208 Caylor and today was present as he had spent a week going to the GRB for volunteer work and it was a very positive experience; that he bonded with evacuees and was proud of his city, but on the 8th day he arrived at the center and was booted out by a religious group, he found other volunteers who were also booted out by the Second Baptist Church; that his comments were in writing and continued to review his information regarding Second Baptist Church. Council Members Lawrence, Galloway, Edwards, Wiseman, Khan, Holm, Ellis and Berry absent. (NO QUORUM PRESENT)

Council Member Alvarado asked Mr. Campbell if he was taking names of children and Mr. Campbell stated that he arrived at the GRB at 6:00 Thursday, September 8th; that a school teacher said to him his students wanted to write the children at the GRB and so he put up a note for him which stated if students would like to get letters from students in Mr Duvalle's class at Runnels School to put there name and four students signed the list; and asked what was the point of her question, it was a question with a malicious intent. Council Members Lawrence, Galloway, Edwards, Wiseman, Khan, Holm, Ellis and Berry absent. (NO QUORUM PRESENT)

Mr/Coach R. J. Bobby Taylor, 3107 Sumpter, Houston, Texas 77020 (202-FA3-4511) had reserved time to speak but was not present when his name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Khan, Holm, Ellis and Berry absent. (NO QUORUM PRESENT)

Mr. Ernest Clark, 9919 Richmond, No. 733, Houston, Texas 77042 (512-297-9839) had

reserved time to speak but was not present when his name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Khan, Holm, Ellis and Berry absent. (NO QUORUM PRESENT)

Mr. Dell York, 8833 Gulf Freeway, Houston, Texas 77017 (832-439-4135) had reserved time to speak but was not present when his name was called. Council Members Lawrence, Galloway, Edwards, Wiseman, Khan, Holm, Ellis and Berry absent. (NO QUORUM PRESENT)

Mr. John Mezick, 6633 W. Airport, No. 1304, Houston, Texas 77035 (713-283-9518) appeared and stated that he wanted to congratulate Mayor White on the entire way he had approached the situation and it gave him new hope in him as the time; that before when he was present the Mayor had not seemed to moved by his subjects of abortion, homelessness, etc., that this was not the fault of anyone such as the President, etc., but everyone's fault for not following the laws given to Moses; and urged that Mayor White call the President for him to get to the nation and tell each every morning and every night was a state of prayer. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Ellis and Berry absent. (NO QUORUM PRESENT)

Mr. Terrence Finner, 4130 Ebbtide, Houston, Texas 77045 (281-568-8587) appeared and stated that he was fired by the City of Houston for theft by public service and then went to court and found not guilty; that when he was found not guilty he called his superiors in Public Works and Engineering asking for his job back and was told no; that this was his second time before the Mayor and Council and he wanted to know why; that now he had ten days to get his family out of his house and he had worked for the city fourteen years and was out on injury at the time he was fired; that he wanted to know where his justice was. Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Ellis and Berry absent. (NO QUORUM PRESENT)

Upon questions by Mayor White, Mr. Finner stated that he went to Civil Service before his trial and was fired before he went to trial; that they said he was soliciting and accepted money; that his trial was on theft by public service and the witnesses was one a convicted trial rapist and one transient and they had lied for him, but he was no thief, he worked since he was twelve and he wanted to be vindicated; and Mayor White stated that so far they had not second guessed Civil Service determinations; that he did hear him; and upon further questions, Mr. Finner stated that he worked in the Sewer Department; and Mayor White stated that it would not be his inclination to go behind the record and redo Civil Service cases, he was trying to think if there was a reason he would because he did not want to make every employment decision in the City of Houston; and Mr. Finner stated that he understood that, but he was injured on the job and had a pin in his arm and he could not afford it but went to jail to prove he was innocent and now was being evicted out of his home with his four kids and he wanted justice. Council Members Lawrence, Galloway, Goldberg, Edwards, Wiseman, Khan, Holm, Garcia, Ellis and Berry absent. (NO QUORUM PRESENT)

Council Member Quan stated that you are supposed to be presumed innocent until proven guilty and now he was proven innocent and it seemed he was still sentenced as if he was guilty; and upon questions, Mr. Heilman stated that it appeared in the criminal process the burden of proof was not met by the state, but on employment process the Civil Service Commission had determined the standard for indefinite suspension was met and they were holding firm on the issue; and Council Member Quan stated that he understood, but it did seem there was a man who put in a lot of time with the City and found innocent and was trying to make a living for his family and would like to know if this could be reconsidered in any way; and Mayor White stated that he would talk to him, but he would say it would be a pretty hard burden to sway him on a particular case, but he would invite Council Member Quan to get the Civil Service record and read the hearing; that he could run the City one of two ways, micro manage and pretend he knew everything or try and hire the best and ask that they do the right thing in compliance with procedures, but if he wanted to read it and visit with him on it then he would be happy to do that;

and Council Member Quan stated that on this case he would read it and see what transpired and try and get with the Mayor; and Mayor White stated that he was not saying what he would do, but he would meet with him; and Mr. Finner stated that the equipment he would have taken to do what he was accused of he was not even operating and no way he could have done it; and Council Member Quan stated that he would get the record and Mr. Finner should make an appointment with him and bring his attorney if he needed to as he would be glad to meet with him as well. Council Members Lawrence, Galloway, Goldberg, Edwards, Wiseman, Khan, Holm, Garcia, Ellis, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Mr. Raymond Patlouany, 6927 Heron, Houston, Texas 77087 (713-644-0492) had reserved time to speak but was not present when his name was called. Council Members Lawrence, Galloway, Goldberg, Edwards, Wiseman, Khan, Holm, Garcia, Ellis, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Mr. J. Garrison, 12728 Hollandale, Houston, Texas 77082 (281-556-5195) had reserved time to speak but was not present when his name was called. Council Members Lawrence, Galloway, Goldberg, Edwards, Wiseman, Khan, Holm, Garcia, Ellis, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Ms. Julia Hebard, 3100 Richmond Avenue, Houston, Texas 77098 (713-933-2252) had reserved time to speak but was not present when her name was called. Council Members Lawrence, Galloway, Goldberg, Edwards, Wiseman, Khan, Holm, Garcia, Ellis, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Ms. Yuwen Sun, 4042 Belle Park, Houston, Texas 77072 (281-914-0383) appeared, presented information and stated that this week a delegation from Shanghai was visiting Houston and City officials and businesses were excited about opportunities in Jinshan District, Shanghai where guests came from, but the delegation was led by Hao Tiechuan, governor of that district and he was the deputy director of the Propaganda Department of the Communist Shanghai Chinese Party Committee which crackdown on Falun Gong with violence and attacked the U. S. in an article for supporting the Dalai Lama, Taiwan, the democracy movement and Falun Gong; that human rights should be an important consideration when doing business with China because it was controlled by the Communist Party with total disregard for human rights; and they should always check their human rights record before inviting them. Council Members Lawrence, Galloway, Goldberg, Edwards, Wiseman, Khan, Holm, Garcia, Ellis, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Mr. John Ryan, 8370 Westview, Houston, Texas 77055 (no phone) had reserved time to speak but was not present when his name was called. Council Members Lawrence, Galloway, Goldberg, Edwards, Wiseman, Khan, Holm, Garcia, Ellis, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Mr. Raymond Mbala, 5959 Westheimer, Ste. 212, Houston, Texas 77057 (469-556-7299) had reserved time to speak but was not present when his name was called. Council Members Lawrence, Galloway, Goldberg, Edwards, Wiseman, Khan, Holm, Garcia, Ellis, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Mr. Cristobal Patino, 8800 Broadway, Ste. 5179, Houston, Texas 77061 (713-528-1625) appeared and stated that he overheard Council Member Garcia wanting to know the capacity of the Astrodome and as a tenure employee he knew they could seat and hold 65,000, 75,000 comfortably in the stadium and hold 55,000 under the Fire Code with no problem so he did not know why they said only 25,000 and he thought they should open it up to more; and the Astrodome was the only stadium in the country that could withstand winds in excess of 250 knots and two other stadiums had collapsed; and they should keep her as she was going to come in handy. Council Members Lawrence, Galloway, Goldberg, Edwards, Wiseman, Khan, Holm, Garcia, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

The City Secretary stated that Ms. Robin Holzer was now present and would be called after Mr. Burger. Council Members Lawrence, Galloway, Goldberg, Edwards, Wiseman, Khan, Holm, Garcia, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Mr. Michael Berger, 6530 Westview, Houston, Texas 77055 (713-686-7034) appeared and stated that he used to work for the Parks and Recreation Department and did something he should not have done; that he was told to resign or have charges against him so he resigned, but he was wanting to get back with the City and was told there was something in his folder and he would not be hired; and he was hoping someone would give him a second chance. Council Members Lawrence, Galloway, Edwards, Wiseman, Khan, Holm, Garcia, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Ms. Robin Holzer, 1306 Fairview, Houston, Texas 77006 (713-301-5716) appeared, presented information and stated that she chaired the Citizens' Transportation Coalition and was present to echo comments of Ms. Heidi Sweetnam, director of Blueprint Houston and to encourage the City to participate in the Envision Houston Region process starting Saturday; that the CTC wholeheartedly endorsed the process; that the Regional Transportation Plan or RTP assumed that unplanned development would continue across the region and to serve the development more infrastructure was needed and Houstonians would drive more and not less, but citizens spoke out and asked for something different and called for changes; that H-GAC responded and as a result the next transportation plan would be different; that it would start this Saturday at 8:30 a.m. at the UH Hilton and for the first time the H-GAC was inviting communities to shape the vision for the next long-range plan and it would be one of five workshops and results would be used to shape the next plan and the CTC did endorse and hoped the Mayor and Council would come out and encourage constituents to attend also; and urged that all do their part and make it a success. Council Members Lawrence, Galloway, Edwards, Khan, Holm, Garcia, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Mayor White stated that at the original Blueprint Meeting the more participation the better, but what they really needed was specifics; that they had the I-45 issue and they were going to start seeing a flagging interest in the stakeholders interest as generalities, but he wanted her to communicate he was keenly interested, but in specifics; and they wanted to protect neighborhoods, but not discriminate against those arriving in the next five years, not every neighborhood wanted a major thoroughfare, but then how did they make the best use of existing right-of-ways without making those to the north or south have to wait or go along speed bumps; that those were the issues needing the most help; and Ms. Holzer stated that in looking for specifics the next process would be TxDOT would be talking about the 290 corridor the first week of October and the Envision was to help shape long-range goals; that Blueprint wanted to spend more time with families and less in cars and affordable housing near where people work was another way besides expanding, just to put direction. Council Members Lawrence, Galloway, Edwards, Khan, Holm, Garcia, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

President Joseph Charles, Post Office Box 524373, Houston, Texas 77052-4373 (832-453-6376) appeared and stated that he wanted the arrest of Mayor White and others; and continued expressing his personal opinions until his time expired. Mayor White, Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Ellis, Quan, Sekula-Gibbs and Berry absent. Mayor Pro Tem Alvarado presiding. (NO QUORUM PRESENT)

Mr. Joseph Omo Omari, 2820 Palm 2B, Houston, Texas 77004 (832-767-0870) appeared and stated that he was present regarding the Black Museum issue; that there was still no director and he wondered if it was a political illusion. Mayor White, Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Ellis, Quan, Sekula-Gibbs and Berry absent. Mayor Pro Tem Alvarado presiding. (NO QUORUM PRESENT)

Commissioner Thelma Scott, 1919 N. Loop West, Ste. 190, Houston, Texas 77008 (713-869-9377) had reserved time to speak but was not present when her name was called. Mayor White, Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Ellis, Quan, Sekula-Gibbs and Berry absent. Mayor Pro Tem Alvarado presiding. (NO QUORUM PRESENT)

Senator Robert Horton, 3714 Bain, Houston, Texas 77026 (713-260-6144) appeared and stated that he was Ali; and continued expressing his personal opinions until his time expired. Mayor White, Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Ellis, Quan, Sekula-Gibbs and Berry absent. Mayor Pro Tem Alvarado presiding. (NO QUORUM PRESENT)

Mr. James Partsch Galvan, 1611 Holman, Houston, Texas 77004 (713-528-2607) had reserved time to speak but was not present when his name was called. Mayor White, Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Ellis, Quan, Sekula-Gibbs and Berry absent. Mayor Pro Tem Alvarado presiding. (NO QUORUM PRESENT)

At 5:24 p.m. City Council recessed until 9:00 a.m., Wednesday, September 14, 2005. Council Member Green absent on personal business. Mayor White, Council Members Lawrence, Galloway, Edwards, Wiseman, Holm, Garcia, Ellis, Quan, Sekula-Gibbs and Berry absent. Mayor Pro Tem Alvarado presiding. (NO QUORUM PRESENT)

City Council Chamber, City Hall, Wednesday, September 14, 2005

The Houston City Council reconvened at 9:00 a.m. Wednesday, September 14, 2005, with Mayor Bill White presiding and with Council Members Toni Lawrence, Carol M. Galloway, Mark Goldberg, Ada Edwards, Addie Wiseman, M. J. Khan, Pam Holm, Adrian Garcia, Carol Alvarado, Mark Ellis, Gordon Quan, Shelley Sekula-Gibbs, M.D. and Michael Berry; Mr. Anthony Hall, Chief Financial Officer, Mayor's Office; Mr. Arturo Michel, City Attorney, Ms. Marty Stein, Agenda Director and Mr. Jose Soto, Deputy Agenda Director present. Council Member Ronald C. Green absent on personal business.

At 8:26 the City Secretary read the descriptions or captions of items on the Agenda.

At 9:29 a.m. Mayor White reconvened the meeting of the City Council and stated that the first order of business was a Mayor's Report. Council Members Lawrence, Galloway, Edwards, Holm and Garcia absent.

Mayor White stated that he was going to do one information item that he thought would be very helpful to his colleagues, that he thought this item could assist each of the Council offices and would take just a minute because they needed the Council offices who were an important source and information to constituent services of the item, that on the issue that they discussed on Friday of how to provide assistance to their constituents who were straining to just make ends meet because they had extended the generosity of their homes to the Katrina victims and it was not to, at all, discourage or say that people had to be compensated for charitable acts, that there were inquiries that various Council offices had received by people who were providing home shelters, that they agreed with Council Member Quan and his point that five organizations, which happened to have capacity to respond immediately, were the organizations through which they were giving the grocery cards that could provide some relief to the individual home shelters and as their individual Council offices got inquiries from constituents, whose houses and household budgets were bursting at the seams until people got their FEMA and Red Cross checks this week, than the organizations which were mobilized, the Urban League, Catholic Charities, ACORN, LULAC and the NAACP were in the position with the cards, that 300 home shelter families had been serviced, that the individual organizations themselves could be a vehicle used by the individual Council offices. Council Members Lawrence, Galloway, Edwards, Holm and Garcia absent.

MAYOR'S REPORT - Project Houston Hope - Land Assemblage

Mayor White stated as to Project Houston Hope - Land Assemblage they had partners in the effort, they had a team and valuable members of the team included Mr. Steve Tinnermon and Mr. Alan Parker, Ms. Leah Stoler, Mr. Bill King, Ms. Senfronia Thompson, Mr. Anthony Hall, Mr. John Walsh, Mr. Michel, City Attorney, Mr. Mike Marcotte, Director of Public Works, Mr. Milton Wilson, Director, Houston Housing and Community Development and Mr. Brian Lumpkin, Neighborhood Protection and others were a working group, that it was an extraordinary high priority for the administration, the quiet work was being done now and part of the reason it was quite was when they were assembling land they did not have a big construction crane or front end loader, although they were cleaning up a lot of lots, and second, was that there were some issues where time was the enemy of preserving neighborhoods with historical character, time delays favored the people using places as crack houses and people who were speculators who may have no interest in preserving the character of a neighborhood, so time was their enemy on it and he wanted to impress that because they had a lot of stake holder involvement and especially on the process, that they were in the process now on requesting some funds that they needed in order to proceed unless people wanted what was happening in the past to occur in a lot of the neighborhoods, that he did not mention Mr. David Collins, Chair of the LARA Board and the LARA Board Members, that various individuals had been invaluable in this particular process, that he wanted to give an overview of some of the categories of property, some things that had been done and the next steps, that there were 217 original LARA properties in two designated areas in Project Houston Hope One, that they put in process in February 2005, which included a few that had been in process before, 1,478, the Project Houston Hope Two - Opportunities Owned, were the ones that had started through the process but still needed stake holder involvement and some of the other jurisdictions, there were 1,233, that a number of those properties had been acquired in each of those designated areas, that there had been 83 lots purchased and had been 48 lots that were taken by strike off, where nobody was a bidder on those, and the average cost of the 131 LARA owned lots were \$6,269.00 per lot, that he thought that the most cost effective money that they could possible pay was for some land acquisition within limits, that in the Houston Housing Authority and just one project that they went through a pro forma, which was given to him as a representative project for large multi family the total all end costs were \$93,000 per unit, that their goal was to put people in single family houses at between \$720 per month and \$900 per month, that it was not to say based on the reaction of the community and their desires that there may be some more multi family component or quadraplex or duplex, if the neighborhoods wanted it, that opinions were divided in some neighborhoods, but he was telling them where the heart of the issue was, and he could get there and move people, that there were people who were in multi family moving into home ownership situations through a combination land acquisition, down payment assistance and some of the loan programs, that they spent almost as much in monthly rent for a small multi family as they could put them in single family on a monthly payment basis but it would not occur if they did not have the land and it would occur if they paid an excessive amount for the land and it would not occur if it were entirely free market processes where they did not have some plan to make sure they had affordable housing in some of the neighborhoods, if they did not think the City should be in the housing business then they should abolish the Houston Housing Authority, that if they did want to be in the housing business then this was a way they could do so cost effectively in a way that preserved and built tax paying neighborhoods, that on the three areas that he talked about on the tax delinquencies the average tax delinquency on the first 217 LARA lots was 19 years and the average tax delinquency on the Houston Hope One was 17.6 years and the average tax delinquency on the Houston Hope Two was 18 years, and there was no real prospect for the tax payments on them unless they could get the lots back in use by others, that their policy was if something was run down, was hurting the neighborhoods, the neighbors wanted them out, an abandoned structure or lot, not paying taxes, they wanted it to be put to productive use consistent with the desires of the neighbors, that second, they were going to work with efficiency and speed in taking those lots that had not been paying taxes, efficiency, good cost per square foot, and speed,

assembling some of those lots so that they could move out on some basis involving a plan and volume so that they could get affordable housing, and third, they were going to make investments in the public infrastructure and support system, that it included water sewer, streets, some sidewalk, etc., that they were in the CIP, that fourth, they were going to have open and competitive and transparent process that did not involve amateurs but involved a wide variety of builders working with community organizations to get the ground broken sooner rather than later on housing that met the criteria that he identified and was consistent with some of the preferences in the neighborhoods dealing with design features, that they were going to work with other community institutions, including schools, that some of those would be acquired through three vehicles, one was LARA, and it would be based on a variety of considerations, such as the market values in the area, that second was the land bank and third was there may market transactions that they would enter into, for example there may be a lot next door that was for sale or could be acquired for a reasonable price and they would get more housing and better if both lots were in the same RFP process to get affordable housing there, with discipline and price limits so that they could get the most bang for the buck.

Mayor White was questioned at length by Council Members and stated that the proposal that a number of Council Members had come up with was to create advisory committees for each of the principal neighborhoods that would be within not only for LARA but also land bank advisory committees; that they were not doing eminent domain, if someone was not interested in selling their property and were current on their property taxes they would leave them alone, that he would be happy to add additional slots to the LARA Board, and Council Member Edwards stated that she would like to see if they could put together three to four workshops that dealt with taking their vision for how they wanted their community to look like and put it into a workable plan, and Council Member Lawrence stated that because they were not going after homesteads there were people out there that were deliberately not paying their taxes because they knew that in 15 to 20 years it would be dropped, that she would like for this to be brought into the loop or at least looked at legally; and Mayor White stated that where people had bought some lands in their auctions to calendar it and if they did not pay their taxes seeking to flip it, that the moment they missed that tax payment the City should take it back.

Council Member Quan moved to suspend the rules to consider Item No. 20 out of order, seconded by Council Member Galloway. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. MOTION 2005-0892 ADOPTED.

Council Member Galloway moved to suspend the rules to consider Item No. 42 out of order, seconded by Council Member Alvarado. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. MOTION 2005-0893 ADOPTED.

Council Member Quan moved to suspend the rules to consider Item Numbers 35, 35a, 35b, 35c and 35d out of order, seconded by Council Member Quan. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. MOTION 2005-0894 ADOPTED.

Council Member Sekula-Gibbs moved to suspend the rules to consider Item No. 48 out of order, seconded by Council Member Alvarado. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. MOTION 2005-0895 ADOPTED.

Council Member Edwards moved to suspend the rules to consider Item No. 45, 46 and 47 out of order, seconded by Council Member Alvarado. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. MOTION 2005-0896 ADOPTED.

20. ORDINANCE appropriating \$800,000.00 out of Low Income Housing Fund (Fund 872) and

approving and authorizing second amendment to Land Assembly Grant Agreement between the City of Houston and the Land Assemblage Redevelopment Authority ("LARA") to (1) increase funding; (2) authorize LARA to make direct purchases of vacant, non-homestead properties adjacent to or located near tax-delinquent properties which the City has designated for Affordable Housing Development; and (3) authorizing LARA to amend its corporate documents as may be necessary or appropriate - was presented. Council Member Khan absent.

Council Member Goldberg stated that in the backup it talked about the administrative costs being 15% or \$272,000 and he had two questions on that, was it a cap or was it an amount or the 15%, and Mayor White stated that there were certain costs that had been borne by Planning and Legal and others for administrative costs on LARA and in the RCA it referred to 15% allocation for administrative and operating costs and asked if that was done by formula or based on actual operating costs or was it a cap. Council Member Khan absent.

Mr. Hall stated that he did not know but would find out before the Council meeting was over, that they knew the percentage was the percentage applied in the first contract where the \$525,000 was given but they still did not know on what calculation it was based on. Council Member Khan absent.

Council Member Goldberg moved to consider Item No. 20 prior to the Matters Held category, and also had one additional question as to where was the money coming from, the administrative costs, seconded by Council Member Alvarado. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. MOTION 2005-0894 ADOPTED.

42. ORDINANCE repealing Ordinance No. 2004-0885 and appropriating \$509,338.00 out of the TIRZ Affordable Housing Fund (Fund 872) and approving and authorizing grant agreement between the City and NEW VISION COMMUNITY DEVELOPMENT to finance a portion of the costs to acquire land upon which will be constructed a seventy-one unit Elderly Housing Complex located at 1580 Greensmark Drive - DISTRICT B - GALLOWAY - (This was Item 33 on Agenda of September 7, 2005, TAGGED BY COUNCIL MEMBER GALLOWAY) - was presented.

Council Member Galloway stated that after getting some information on the item it was a very good project for District B as it related to the seniors and hoped that once the project got completed that the seniors would know that they had some very fine housing available for them, so she encouraged her colleagues to support the item. Council Member Khan absent.

A vote was called on Item No. 42. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1048 ADOPTED.

35. ORDINANCE enlarging the boundaries of Reinvestment Zone Number Three, City of Houston, Texas, (Main Street/Market Square TIRZ) - DISTRICT I - ALVARADO - (This was Item 21 on Agenda of September 7, 2005, TAGGED BY COUNCIL MEMBERS GALLOWAY, GREEN and GARCIA) - was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1049 ADOPTED.

35a. ORDINANCE approving a third amended Project Plan and Reinvestment Zone Financing Plan for Reinvestment Zone Number Three, City of Houston, Texas (Main Street/Market Square TIRZ); authorizing the City Secretary to distribute such plans; determining the portion of tax increment the city will pay from the area annexed into the zone - DISTRICT I - ALVARADO - (This was Item 21A on Agenda of September 7, 2005, TAGGED BY COUNCIL MEMBERS GALLOWAY, GREEN and GARCIA) - was presented. Council

Member Khan absent.

Council Member Alvarado stated that she had a written motion to amend Item No. 35a and it was basically a technical amendment, that the County changed their formula in the way they would participate so it was basically a change in the method of calculation but at the end of the day their contribution remained the same, that the item that they voted on unanimously yesterday had just a little bit different language on their calculation for their formula and participation and so in order for both of them to be the same she offered the following written motion to amend Item No. 35a, and Mayor White stated that the administration had no objection to that. Council Member Khan absent.

“WRITTEN motion by Council Member Carol Alvarado to amend item No. 35A on the City of Houston City Council Agenda of September 14, 2005 by substituting pages 54 – 57 of Exhibit “A” to Item 35A with the attached pages 54 – 57.” Council Member Khan absent.

Council Member Galloway stated that she had tagged the item last week as well because she had wanted to check into the MWBE participation and she spoke with her colleague Commission Franco Lee, where the County had worked out an arrangement so it would apply for this project as well, and she would second Council Member Alvarado amendment.

A vote was called on Council Member Alvarado’s written motion to amend Item No. 35a. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. MOTION 2005-0898 ADOPTED.

A vote was called on Item No. 35a as amended. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1050 ADOPTED.

35b. ORDINANCE approving an Economic Development Program for Reinvestment Zone Number Three, City of Houston, Texas (Main Street/Market Square TIRZ) - DISTRICT I - ALVARADO - (This was Item 21B on Agenda of September 7, 2005, TAGGED BY COUNCIL MEMBERS GALLOWAY, GREEN and GARCIA) - was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1051 ADOPTED.

35c. ORDINANCE approving and authorizing first amendment to interlocal agreement between the City of Houston, HARRIS COUNTY and REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS (MAIN STREET MARKET SQUARE TIRZ) relating to the participation of Harris County in the Reinvestment Zone - DISTRICT I - ALVARADO - was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1052 ADOPTED.

35d. RECOMMENDATION from Director Planning & Development that City Council authorize permits for the following in connection with the construction of the Houston Pavilions Project: air rights, vault rights, and extension of canopies, balconies, and awnings beyond the property line and servicing the ground floor level of the project - DISTRICT I - ALVARADO - was presented, moved by Council Member Alvarado, seconded by Council Member Quan. Council Member Green absent on personal business. Council Member Khan absent. MOTION 2005-0899 ADOPTED.

After discussion by Council Members, Council Member Garcia stated that he would appreciate a discussion on where they were moving with the TIRZ. Council Member Khan absent.

48. ORDINANCE authorizing the Mayor of Houston to extend or continue a proclamation of a Local State of Disaster for the City of Houston beyond the seven

day period after the proclamation was issued, making certain findings related thereto, and declaring an emergency – was presented. Council Member Khan absent.

Council Member Sekula-Gibbs stated that in the item Mayor White was requesting an extension of the Emergency State of Disaster Declaration and believed there was no ending date and asked if Mayor White had an ending date and was it something that would be important to FEMA and would they be jeopardizing in any way their funding reimbursement if they did not put in place an ending date, and number two, she wanted to comment that there was a survey published in today's Chronicle that indicated that overall citizens were extremely pleased with the handling that Mayor White did of the Katrina disaster, that they all knew that the hurricane season was relentless and that it continued to come year after year, so they had to recognize that not only did they have to handle this disaster but they had to handle the disasters that were coming next month and the following month and would like to ask for a summary or presentation by either Mr. Dennis Storemski, Public Safety and Homeland Security Director or Ms. Sharon Knolls, the Emergency Management Coordinator, to come and tell them just what their emergency plans were. Council Members Khan and Berry absent.

Mayor White stated that on whether there was a deadline and if it would not jeopardize FEMA reimbursement, he requested Mr. Michel to comment on the legal significance of the ordinance if adopted, and Mr. Michel stated that they had to do it because the Government Code allowed Mayor White to initially declare the emergency but required that to extend beyond seven days the governing body had to approve it and what it did was give the Mayor the authority to extend it without limitations as he determined, that the Mayor could declare the emergency for a period of time and after that, if the situation still continued, and if they would like to continue it the Mayor could issue another one, the ordinance was granting the Mayor the authority to continue beyond the seven days. Council Member Khan absent.

Mayor White stated that as to the question of preparedness for a storm for their own citizens, he thought Council Member Garcia, at some time the Public Safety Committee within one week if they could cut Mr. Storemski and a little others a little slack as they worked though next week, that the whole Nation was going to learn, one of the issues was going to be evacuations and it was not an easy issue and there was not one answer. Council Member Khan absent.

Council Member Garcia stated that they had a very good and informative Public Safety meeting on Monday and they really harped on the issue of evacuation mainly because Council Member Edwards had it on the forefront of her mind for quite some time and it had nothing to do with Katrina and Mayor White was right it was a situation that had helped to awaken their officials to how much more work needed to be done and there were opportunities that had been discovered and were discussed as to where and how they could identify neighborhoods with their most vulnerable citizens and how they could work to keep them safe and evacuate them effectively, that he had those discussions with both Mr. Storemski and both Chiefs in urging for that continued creative thinking, that he would be more than happy to follow through with that, that he had asked both Chiefs to provide a report within 30 days as to more concrete evacuation plans. Council Member Khan absent.

Council Member Edwards stated that she appreciated their efforts, that in addition to what had already been stated she would like to have specific questions addressed in that dialog, one, were there any dedicated funds for maintenance of evacuation roads because that was one of her main concerns, for people who were homeless or disabled, that one of the things that they were trying to get started in their community was that civic clubs were the first troops on the ground in the communities and if they could get a counting of people in their civic club jurisdiction that were disabled and what was the condition of their own civic club area, that would help to decentralize it and not leave on the shoulders of Council Member Garcia but to give people the importance of them being in charge of their community and seeing what was

going on in their community, that had been something that civic clubs had been willing to do, and it gave them a position of empowerment and somewhat in control of what was happening in their community. Council Member Khan absent.

Council Member Holm stated that she thought that under the TPC there was actually additional funding and points scored for those roads that were evacuation routes. Council Member Khan absent.

A vote was called on Item No. 48. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1053 ADOPTED.

45. RECOMMENDATION from Director Department of Public Works & Engineering for condemnation of Parcel AY2-172C, owned by Union Pacific Railroad Company, a Delaware corporation, for the COLUMBIA TAP HIKE AND BIKE TRAIL PROJECT from Polk Avenue to Dixie Drive, CIP N-0420-22-2 - DISTRICT D - EDWARDS - (This was Item 49 on Agenda of September 7, 2005, TAGGED BY COUNCIL MEMBERS GALLOWAY, GREEN and EDWARDS) - was presented, moved by Council Member Alvarado, seconded by Council Member Quan. Council Member Khan absent.

Council Member Edwards stated that she would like to thank everyone who had tried to assist them in the effort and to work with the people in South MacGregor, that she appreciated the fact that they were able to find a way to bring the route from behind their houses but was not satisfied with it being on the street and going to Dixie, she thought that Dixie was a dangerous place to have a bike trail so she was going to be voting no on the issue but appreciated the work of the people who had done it and looked forward to working to move the project forward and to make sure that all issues were always addressed. Council Member Khan absent.

A vote was called on Item No. 45. Council Members Edwards, Quan and Galloway voting no, balance voting aye. Council Member Green absent on personal business. Council Member Khan absent. MOTION 2005-0900 ADOPTED.

46. MOTION by Council Member Khan/Seconded by Council Member Alvarado to adopt recommendation from Director Department of Public Works & Engineering for condemnation of Parcel AY2-173 and AY2-173A, located in the 2300 block of Dixie Drive, owned by The Grocers Supply Company, Inc., a Texas corporation, Jim N. Arnold, Vice President Real Estate and Store Development, for the COLUMBIA TAP HIKE AND BIKE TRAIL PROJECT, CIP N-0420-22-2 DISTRICT D - EDWARDS - (This was Item 51 on Agenda of September 7, 2005, POSTPONED BY MOTION #2005-858) - was presented.

Council Member Edwards stated that the same comments on Item No. 45 she would also make on this particular issue, that once again she appreciated the work that was done and the support they had for the community but still thought they could have come up with a better or different route. Council Member Khan absent.

A vote was called on Item No. 46. Council Members Edwards, Lawrence, Quan and Galloway voting no, balance voting aye. Council Member Green absent on personal business. Council Members Khan and Garcia absent. MOTION 2005-0901 ADOPTED.

47. RECOMMENDATION from Director Finance & Administration that City Council approve a motion granting a variance to 3520 Old Spanish Trail from the 1,000-foot distance requirement of Section 3-2(e) of the Code of Ordinances relating to the sale of alcoholic beverages, under the condition that such location's alcoholic beverage permits remain in good standing with the Texas Alcoholic Beverage Commission and that the premises will not be open for business during the hours that school is in session at Thompson Elementary School - (This was Item 52 on Agenda of September 7, 2005, POSTPONED

BY MOTION #2005-859) - was presented. Council Members Khan and Garcia absent.

Council Member Edwards moved to refer Item No. 47 back to the administration, seconded by Council Member Ellis.

After discussion by Council Members, Council Member Lawrence stated that when the item came to committee she had asked for backup and that was back in April 2005, then she put it in form of a written memo in May 2005, and then she tagged the issue two weeks ago, four months and she still did not get a simple letter, she had to go to the superintendent herself and ask for a letter, that what went to the school was to some real estate man asking if the four things she made as statements were true, not to elaborate, basically their Legal Department said, just to tell them if they were true, they were things like, was the school going to close after the year 2005, that yes it may close in 2020, they were redundant questions, that she never had gotten the information she had asked for, that she asked for a letter from the superintendent or a school board member on the status of the school, four and a half months she did it in one day and got it, that she got the original copy back in two days, then last week she asked for a list of variances given at the Council table of bars that they had given variances to, for instance there was a pizza parlor that they gave a variance to serve beer and wine, she had yet to get that, that she made it a point that she would like it before the Wednesday vote, that continuously Legal, to her, was not doing their job. Council Members Khan and Garcia absent.

Mayor White asked Mr. Michel why could that information not be received by Council Member Lawrence, and Mr. Michel stated that what he heard from the meetings, and had confirmed with the Agenda Director and what he had in writing, there were three different requests, one was the request in terms of the equal protection issue if they granted the variance and he provided a memo prior to the time the item came up and then a second memo last week, the second issue had to do with was in fact going to move and that was the email dialog with the real estate professional and the third issue, which was raised by Council Member Holm, would HISD provide a letter of support, that he spoke with the superintendent and told him what his staff had told him, which was they did not think HISD would do that, they did not have a mechanism for doing it other than going to the board and they would not provide it, that was what the superintendent told him and he showed him the email communication and those were the three things that he was looking at, that he did not have a request to seek a letter from HISD, if he missed something along the way he had gone back and had not seen that. Council Members Khan and Garcia.

Mayor White stated that it emphasized the norm and they always wanted to give good customer service, the point was well taken by some of those within the Legal Department and if they were going to function effectively they were going to have to communicate well concerning what their expectations were back and forth, that on the letter of support he was not sure that they were in the business of supporting or not supporting. Council Members Khan and Garcia.

Council Member Holm stated that if what they requested was not able to be produced to at least give them some feedback so they knew what the status was. Council Members Khan and Garcia.

Council Member Edwards stated that she understood the concerns of the District Council Members, she had similar concerns, but she still stated that this bar did not present that issue, that she talked to the superintendent and he said he really did not know the whole story of the incident, that he thought it was a new bar and did not know it was an old bar, that she hoped when they had the committee meetings and talked about things like these that those questions be brought up at that time and they could talk about it before they got to Council, that Mr. Gray was very appreciate of the Council's efforts and they were going to open and try to work it through without the liquor license, that he was still going to operate the business. Council Members Khan and Garcia.

After further discussion by Council Members, Council Member Lawrence stated that she would still like that list of the bars that they had given variances to and the names of them and what they served, and a vote was called on the motion to refer Item No. 47 back to the administration. All voting aye. Nays none. Council Member Green absent on personal business. Council Members Khan, Garcia and Ellis absent. MOTION 2005-0902 ADOPTED.

Council Member Galloway moved to suspend the rules to consider Item Numbers 25 and 41 out of order, seconded by Council Member Alvarado. All voting aye. Nays none. Council Member Green absent on personal business. Council Members Khan, Garcia and Ellis absent. MOTION 2005-0903 ADOPTED.

25. ORDINANCE appropriating \$146,318.84 out of TIRZ Affordable Housing Fund (Fund 872) and approving and authorizing Settlement Agreement with LARUS BUILDERS, INC in connection with Design and Construction of certain public improvements in support of the provision of affordable housing – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Members Khan and Garcia absent. ORDINANCE 2005-1054 ADOPTED.

Council Member Quan stated that he appreciated Council's support on the item, it was hard to build affordable housing and Larus Homes had been a leader in the area, that it had been a long standing dispute and he was pleased that they were able to finally resolve the item, that it was hard for people to do business with the City of Houston when they were not sure they were going to get paid at the end of the day. Council Members Khan and Garcia absent.

41. ORDINANCE consenting to the addition of 65.4274 acres of land to PINE VILLAGE PUBLIC UTILITY DISTRICT, for inclusion in its district - (This was Item 29 on Agenda of September 7, 2005, TAGGED BY COUNCIL MEMBER GALLOWAY) – was presented.

Council Member Galloway moved to postpone Item No. 41 for two weeks, seconded by Council Member Ellis. All voting aye. Nays none. Council Member Green absent on personal business. Council Members Khan and Garcia absent. MOTION 2005-0904 ADOPTED.

CONSENT AGENDA NUMBERS 2 through 34

MISCELLANEOUS - NUMBER 2

2. RECOMMENDATION from Director Department of Public Works & Engineering for establishment of a connection charge in the amount of \$0.32 per square foot for properties connecting to the 8-inch sanitary sewer lines constructed by MR. RALPH R. KELLER III located along Acorn Lane DISTRICT E – WISEMAN – was presented, moved by Council Member Quan, seconded by Council Member Holm. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Members Khan and Garcia absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0905 ADOPTED.

ACCEPT WORK - NUMBER 4

4. RECOMMENDATION from Director Building Services Department for approval of final contract amount of \$667,873.37 and acceptance of work on contract with TRIMBLE & STEPHENS CONSTRUCTION SERVICES, INC d/b/a STEPHENS CONSTRUCTION SERVICES for Parks Master Plan - Bid Package 8 River Oaks Park, Tanglewood Park and Waldemar Park, GFS F-504C-20-3, F-504C-15-3 and F-504C-21-3 - 04.68% over the original contract amount DISTRICT G - HOLM – was presented, moved by Council Member Quan, seconded by Council Member Holm. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Members Khan and Garcia absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0906 ADOPTED.

PROPERTY - NUMBERS 6 through 8

6. RECOMMENDATION from Director Department of Public Works & Engineering, reviewed and approved by the Joint Referral Committee, on request from Robert V. Johnson, for abandonment and sale of a portion of a 15-foot-wide alley, from Sandman Street ±50 feet west, in exchange for the conveyance to the City of a full-width sanitary sewer easement, located in Block 107, Brunner Addition, Parcels SY6-012, SY6-017, DY6-007 and DY6-008, STAFF APPRAISERS - DISTRICT H - GARCIA – was presented, moved by Council Member Holm, seconded by Council Member Quan. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Members Khan and Garcia absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0907 ADOPTED.
7. RECOMMENDATION from Director Department of Public Works & Engineering, reviewed and approved by the Joint Referral Committee, on request from Randy Meador and Samantha Meador, declining the acceptance of, rejecting, and refusing the dedication of a portion of Beverly Street, from East 7th Street ±125 feet north, located within the Studes Second Addition, Parcel SY6-016 - DISTRICT H - GARCIA – was presented, moved by Council Member Holm, seconded by Council Member Quan. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Members Khan and Garcia absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0908 ADOPTED.
8. RECOMMENDATION from Director Department of Public Works & Engineering to purchase Parcel CY3-010, owned by Royal B. Long and Brian Long, for the ALMEDA SIMS WASTEWATER TREATMENT PLANT EXPANSION AND BUFFER ZONE PROJECT, CIP R-0298-01-2 - \$1,470,782.00 - Enterprise Fund - DISTRICT D - EDWARDS – was presented, moved by Council Member Holm, seconded by Council Member Quan. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Members Khan and Garcia absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0909 ADOPTED.

PURCHASING AND TABULATION OF BIDS - NUMBERS 9 through 14

9. EMERGENCY VEHICLES OF TEXAS for Aircraft Rescue and Fire Fighting Vehicles for the Houston Airport System - \$3,557,420.00 - Enterprise Fund – was presented, moved by Council Member Holm, seconded by Council Member Quan. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Member Khan absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0910 ADOPTED.
10. AMEND MOTION #2005-333, 4/13/05, TO PURCHASE two additional Lighted Runway Closure Markers for Houston Airport System, awarded to FLIGHT LIGHT, INC - \$33,600.00 - Enterprise Fund – was presented, moved by Council Member Holm, seconded by Council Member Quan. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Member Khan absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0911 ADOPTED.
14. TOTER INCORPORATED for Automated Refuse Carts from the State of Texas Building and Procurement Commission's Contract through the State of Texas Cooperative Purchasing Program for the Solid Waste Management Department - \$397,212.80 - Equipment Acquisition Consolidated Fund – was presented, moved by Council Member Holm, seconded by Council Member Quan. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Member Khan absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0912 ADOPTED.

ORDINANCES - NUMBERS 19 through 34

19. ORDINANCE making certain findings and approving the permanent use by the Harris County Flood Control District of 1.2743 acres of land out of Mason Park and 2.7278 acres of land out of Gus Wortham Park and Golf Course for Flood Control and Drainage purposes consisting of Channel improvements to widen and/or deepen Brays Bayou; said findings made after a public hearing held at 9:00 a.m. on Wednesday, August 24, 2005, in the City Council Chambers, Second Floor of City Hall, Houston, Texas, pursuant to the provisions of Chapter 26, Texas Parks and Wildlife Code; and making other findings and stating other matters generally relating thereto DISTRICT I - ALVARADO – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Members Goldberg and Khan absent. Mayor Pro Tem Alvarado presiding. ORDINANCE 2005-1055 ADOPTED.
30. ORDINANCE approving and authorizing lease agreement between the City of Houston and UNITED STATES POSTAL SERVICE at William P. Hobby Airport - DISTRICT I - ALVARADO – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Members Goldberg and Khan absent. Mayor Pro Tem Alvarado presiding. ORDINANCE 2005-1056 ADOPTED.
32. ORDINANCE appropriating \$200,000.00 out of Airports Improvement Fund and approving and authorizing amendment No. 1 to Professional Engineering Services Contract between the City of Houston and TSC ENGINEERING COMPANY for Engineering Services in connection with the new perimeter fence and obstruction removal at William P. Hobby Airport (Project No. 576), CIP A-0439 - DISTRICT I - ALVARADO – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Members Goldberg and Khan absent. Mayor Pro Tem Alvarado presiding. ORDINANCE 2005-1057 ADOPTED.
34. ORDINANCE appropriating \$518,600.00 out of Parks Consolidated Construction Fund, awarding construction contract to RESICOM, INC for Construction of Gutierrez Park, GFS F-504C-19-3; setting a deadline for the bidder's execution of the contract and delivery of all bonds, insurance and other required contract documents to the City; providing funding for engineering and testing service, construction management and contingencies relating to the construction of facilities financed by the Parks Consolidated Construction Fund - DISTRICT I - ALVARADO – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Members Goldberg and Khan absent. Mayor Pro Tem Alvarado presiding. ORDINANCE 2005-1058 ADOPTED.

MATTERS REMOVED FROM THE CONSENT AGENDA WERE CONSIDERED AS FOLLOWS:

MISCELLANEOUS

3. RECOMMENDATION from Director Department of Public Works & Engineering for approval of additional allocation of \$33,000.00 to existing contract awarded to HOWELL MIMS ASSOCIATES, L.L.C. to provide project management and oversight of the Comprehensive Process Management System - Building Inspection Fund – was presented, moved by Council Member Quan, seconded by Council Member Holm. Mayor White and Council Member Khan absent.

Council Member Holm stated that this was a contract to extend and add more money to the Howell Mims contract, that on January 5, 2005 they were asked to extend and spend an additional \$95,000 to fulfill the contract and they approved it and she had the scope of work and under Article III, Section 31 it said the City should pay Howell Mims for its services at hourly rates and it should be effective for 12 months following the agreement, the payment terms of 3.2 said the City should pay the fees set in Example C up to \$95,000 for the services, that Howell Mims warrants that it could provide all services set out in A and B and services required under

Sections 23 and 25.1 for the amount not to exceed \$95,000, her question was if they had a contract to provide services for \$95,000 why would they be spending more money and she would tag the item, and Mayor Pro Tem Alvarado stated that they would get somebody to respond to her. Mayor White and Council Members Wiseman and Khan absent.

ACCEPT WORK

5. RECOMMENDATION from Director Department of Public Works & Engineering for approval of final contract amount of \$5,877,174.78 and acceptance of work on contract with KINSEL INDUSTRIES, INC for Neighborhood Street Reconstruction Project No. 439 (NSR 439), GFS N-0372-01-3 (SB9000) - 01.80% under the original contract amount - DISTRICT E - WISEMAN – was presented, moved by Council Member Quan, seconded by Council Member Garcia. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Member Khan absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0913 ADOPTED.

PURCHASING AND TABULATION OF BIDS

11. ORDINANCE appropriating \$48,414.00 out of General Improvement Consolidated Construction Fund for Emergency Mold Remediation Services at the Fifth Ward Multi-Service Center for the Building Services Department - DISTRICT B- GALLOWAY– was presented. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Member Khan absent. Mayor Pro Tem Alvarado presiding. ORDINANCE 2005-1059 ADOPTED.
- 11a. HAZARD ASSESSMENT LEADERS, INC d/b/a HAL, INC for Mold Remediation Services at the Fifth Ward Multi-Service Center for the Building Services Department - DISTRICT B - GALLOWAY – was presented, moved by Council Member Quan, seconded by Council Member Galloway. All voting aye. Nays none. Council Member Green absent on personal business. Mayor White and Council Member Khan absent. Mayor Pro Tem Alvarado presiding. MOTION 2005-0914 ADOPTED.
12. TYLER MOTOR COMPANY, INC d/b/a HALL BUICK PONTIAC GMC - \$7,189,805.30 and MARTIN APPARATUS, INC - \$1,715,301.60 for Firefighting Trucks through the Interlocal Agreement for Cooperative Purchasing with Houston-Galveston Area Council for Fire Department Fire Consolidated Construction Fund and Equipment Acquisition Consolidated Fund – was presented, moved by Council Member Quan, seconded by Council Member Alvarado. Council Member Khan absent.

Council Member Galloway stated that on Item No. 12 she had spoken about it for quite some time as it related to the apparatus that were being purchased and for what area, that at one of the fire stations that was in District B the apparatus they received was old and it continued to break down, that every time she saw where they were purchasing various apparatus none of them were going to those stations, they had never received any type of brand new apparatus in order to take care of the poor neighborhoods, that she hoped they could be fair when they allocated the apparatus to various fire stations, and Mayor White stated that they would check on it. Council Members Edwards and Khan absent.

A vote was called on Item No. 12. All voting aye. Nays none. Council Members Edwards and Khan absent. All voting aye. Nays none. Council Member Green absent on personal business. Council Members Edwards and Kahn absent. MOTION 2005-0915 ADOPTED.

13. ORDINANCE approving and authorizing an interlocal agreement between the City of Houston, and the CITIES OF BELLAIRE and WEST UNIVERSITY PLACE to establish the West Loop Quiet Zone along the Union Pacific Rail Line - DISTRICTS C - GOLDBERG and G – HOLM - was presented, and tagged by Council Member Galloway. Council

Member s Edwards and Khan absent. (Note: Council Member Galloway released her tag later in the meeting.)

- 13a. JERDON ENTERPRISE, L.P. for Railroad Crossing Quiet Zone Safety Improvements for Department of Public Works & Engineering - \$180,180.00 and contingencies for a total amount not to exceed \$189,189.00 - General Fund - was presented, and tagged by Council Member Galloway. Council Member s Edwards and Khan absent. (Note: Council Member Galloway released her tag later in the meeting.)

ORDINANCES

15. ORDINANCE AMENDING CHAPTER 18 OF THE CODE OF ORDINANCES, HOUSTON, TEXAS, relating to the filing of Financial Disclosure Statements; containing other provisions relating to the foregoing subject; providing for severability; providing an effective date – was presented. Council Members Edwards and Khan absent.

After discussion by Council Members, Council Member Quan stated that this was an effort to consolidate under one filing as opposed to having two filings annually, that a lot of the same information that would be required in their October report they had already given in their May report so it would eliminate the necessity of the October report, that the State passed the new law in the last Legislative session so that they had to file under State law in April and prior to that they had to file in October under City rules, so it would eliminate the October filing. Council Member Khan absent.

A vote was called on Item No. 15. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1060 ADOPTED.

16. ORDINANCE amending Ordinance No. 85-842 relating to approval of Solid Waste Sponsorship Agreements – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1061 ADOPTED.
17. ORDINANCE authorizing publication of notice of intention to issue City of Houston, Texas Certificates of Obligation, Series 2005D, in a principal amount not to exceed \$60,000,000 for the purchase of materials, supplies, equipment, machinery, buildings, and land for authorized needs and purposes and for payment of contractual obligations for professional services in connection therewith; approving or declaring other matters incidental to the issuance and sale of such certificates; making various findings and provisions related thereto; and declaring an emergency – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Members Khan and Sekula-Gibbs absent. ORDINANCE 2005-1062 ADOPTED.
18. ORDINANCE approving and authorizing the sale to CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, of an aerial easement above a tract of land containing 634 square feet, more or less, being out of a tract of land containing 1.0148 acres, more or less, located at 201 McKee Street, South Side Buffalo Bayou, John Austin Two League Grant, Abstract 1, Harris County, Texas; Parcel SY5-015; in consideration of its payment of \$15,850.00, and other consideration to the City - DISTRICT H – GARCIA – was presented, and tagged by Council Member Goldberg. Council Members Khan and Sekula-Gibbs absent.
21. ORDINANCE approving and authorizing the submission of the budgets for Bureau of Nutritional Services, Women and Children (WIC), Tuberculosis, Title V-Part A, Associateship for Family Health Services, and the Immunization Program for the 2005-2006 contracts with the Department of State Health Services (TDH Contract No. 7460011640-06); authorizing the Director of the Health & Human Services Department to

accept the initial funding and applicable contract change notices and expend approved funding; to accept any supplemental change notices during the grant period; declaring the city's eligibility for such grants; authorizing the use of interim funding from the General Fund, not to exceed 15% of the requested level of funding for the WIC Program, and declaring intent to reimburse the General Fund from proceeds received from the Department of State Health Services for the WIC Program; authorizing the Director of the Health & Human Services Department to accept and expend such grant funds and to accept and expend subsequent awards, if any – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1063 ADOPTED.

22. ORDINANCE appropriating \$4,559,810.00 out of Equipment Acquisition Consolidated Fund and authorizing the issuance of a purchase order to DYONYX, L.P. through the City's Master Agreement with Texas Procurement Center, L.L.C., for Phase Two of the City's Network Implementation Project – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1064 ADOPTED.
23. ORDINANCE amending Ordinance No. 97-543, which authorized contract between the City and ZUMMO & MIDKIFF, L.L.P. (Formerly ZUMMO & SCHIRRMEISTER) for Legal Services relating to the defense of the City's Sexually Oriented Businesses Ordinances - \$125,000.00 - Property and Casualty Fund – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1065 ADOPTED.
24. ORDINANCE approving and authorizing contract between the City of Houston and HOWREY LLP for Legal Services - \$150,000.00 - Property and Casualty Fund – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1066 ADOPTED.
26. ORDINANCE approving and authorizing lease agreements between the City of Houston and the UNITED STATES DEPARTMENT of HOMELAND SECURITY - CUSTOMS AND BORDER PROTECTION, THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES - FOOD AND DRUG ADMINISTRATION and the UNITED STATES DEPARTMENT OF THE INTERIOR - U. S. FISH AND WILDLIFE SERVICE for certain space at George Bush Intercontinental Airport/Houston - DISTRICT B - GALLOWAY – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1067 ADOPTED.
27. ORDINANCE approving and authorizing lease agreement between the City of Houston and NORTH AMERICAN CONTROLS CORP. at Ellington Field - DISTRICT E - WISEMAN – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1068 ADOPTED.
28. ORDINANCE approving and authorizing the execution of a transfer agreement and lease agreement DTFASW-05-L-00093 for Runway 22 Medium Approach Lighting System Runway Alignment Indicator Light Site at Ellington Field between the City of Houston and the UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION - DISTRICT E - WISEMAN – was presented. All voting aye. Nays none. Council Member Green absent on personal business. Council Member Khan absent. ORDINANCE 2005-1069 ADOPTED.
29. ORDINANCE approving and authorizing lease agreement between the City of Houston and ASTRO TECHNOLOGY INCORPORATED at Ellington Field - DISTRICT E - WISEMAN – was presented. Council Member Khan absent.

Council Member Berry stated that he was fine with the lease, got it looked fine, but wanted someone in the Real Estate section tell him how they arrived at those prices.

A vote was called on Item No. 29. All voting aye. Nays none. Council Member Green absent on personal business. ORDINANCE 2005-1070 ADOPTED.

31. ORDINANCE appropriating \$219,000.00 out of Airports Improvement Fund and approving and authorizing contract between the City of Houston and WASHINGTON GROUP INTERNATIONAL, INC for Professional Engineering Services in connection with Landside Roadway Improvements at George Bush Intercontinental Airport/Houston, (Project No. 418); CIP A-0487 - DISTRICT B - GALLOWAY – was presented. All voting aye. Nays none. Council Member Green absent on personal business. ORDINANCE 2005-1071 ADOPTED.
33. ORDINANCE appropriating \$995,000.00 out of Street & Bridge Consolidated Construction Fund as an additional appropriation and approving and authorizing second amendment to Professional Program Management Services Contract between the City of Houston and PIERCE GOODWIN ALEXANDER & LINVILLE, INC. (PGAL) (Approved by Ordinance No. 01-0863, Contract No. 53122) for Street & Bridge Program Management, GFS N-0668-06-2 (SB9061) – was presented. All voting aye. Nays none. Council Member Green absent on personal business. ORDINANCE 2005-1072 ADOPTED.
20. ORDINANCE appropriating \$800,000.00 out of Low Income Housing Fund (Fund 872) and approving and authorizing second amendment to Land Assembly Grant Agreement between the City of Houston and the Land Assemblage Redevelopment Authority (“LARA”) to (1) increase funding; (2) authorize LARA to make direct purchases of vacant, non-homestead properties adjacent to or located near tax-delinquent properties which the City has designated for Affordable Housing Development; and (3) authorizing LARA to amend its corporate documents as may be necessary or appropriate – was again before Council. All voting aye. Nays none. Council Member Green absent on personal business. ORDINANCE 2005-1073 ADOPTED.

Council Member Galloway stated that she would release her tag on Item Numbers 13 and 13a.

13. ORDINANCE approving and authorizing an interlocal agreement between the City of Houston, and the CITIES OF BELLAIRE and WEST UNIVERSITY PLACE to establish the West Loop Quiet Zone along the Union Pacific Rail Line - DISTRICTS C - GOLDBERG and G – HOLM – was again before Council. All voting aye. Nays none. Council Member Green absent on personal business. ORDINANCE 2005-1074 ADOPTED.
- 13a. JERDON ENTERPRISE, L.P. for Railroad Crossing Quiet Zone Safety Improvements for Department of Public Works & Engineering - \$180,180.00 and contingencies for a total amount not to exceed \$189,189.00 - General Fund – was again before Council, moved by Council Member Holm, seconded by Council Member Lawrence. All voting aye. Nays none. Council Member Green absent on personal business. MOTION 2005-0916 ADOPTED.

Mayor White requested a point of personal privilege and stated that numerous people wanted to raise funds for Katrina related relief, that he said to Ms. Christian that their number one priority had to be the evacuees so to gather a list of the people who wanted to entertain, that he had asked the County and some other people to do the same and communicate and prioritize, that he did not know all the economics of celebrity fund raising business but the issue came up that they wanted to raise money but they wanted the City to provide police support and fire and fire marshal support, that he encouraged donations to national organizations, but they

wanted some of the money to remain in the community for Houston's needs if they were using public facilities and public permitting, that the police and fire marshal's were strained, so to donate their public services where there was no response about whether they would consider keeping money within the community was something that he had an opinion on, and asked if it would be worthwhile if he could put together a one or two sentence resolution that by the end of the agenda that they might adopt, and asked how they should do it.

After discussion by Council Members, Council Member Galloway stated that it was a matter of posting, and Council Member Wiseman stated that the issue was whether or not the body would like to consider that but it was the legal posting requirement, they could not take up for consideration for a vote an item that did not meet the posting requirement, and Council Member Quan stated that Mayor White should circulate the administration's position so they could have informal discussion within the confines of the rules at some time they could give him at least feedback, and Mayor White stated that he would express the administration's position and circulate it.

MATTERS HELD - NUMBERS 36 through 47

36. WRITTEN Motions presented by Council Member Wiseman to amend Item 36A below:
"By copy of this memorandum, I offer the following amendments to Agenda Item 35, on the August 10, 2005, in reference to the contract between the City of Houston and Houston Media Source.

Amend Article III. Duties of Contractor, Section G to read:

At all reasonable times during the term of this agreement and for three years thereafter the Director and City Representatives shall have access to all books and records of Contractor related to the performance of this Agreement and may conduct any audit of such books and records as may deemed necessary and proper by the Director and/or City Representatives. Contractor shall make all information related to this Agreement available in Houston, Texas, to the Director and City Representatives upon request

Amend Article III. Duties of Contractor, Section H. to include:

Contractor shall be required to verify and maintain records of artist licensing agreements and/or proof of all copyright ownership. Such licensing verification must be approved prior to broadcast.

Houston MediaSource must obtain from every "producer" copies of execute license agreements and/or proof of copyright ownership for all programming broadcast on Houston MediaSource.

Amend Article III. Duties of Contractor, Section A (1) to include:

(d) Operational Controls shall include staff review of all programming, prior to transmittal via cablecast, to ensure compliance with all applicable laws, contracts, City Ordinances and the City's cable franchise agreements.

Amend Article III. Duties of Contractor to include:

Contractor shall provide written strategic plan within 30 days of the execution of this contract to include fundraising goals and objectives.

Amend Article III. Duties of Contractor, Section A (2) to read:

(b) to involve the community in the development and production of public access programming, including educational institutions located within the service area; and
(d) a plan of work to achieve the actions required herein shall be provided within 60 days of execution of this agreement.

Amend Exhibit "A" Policies and Procedures, section 1 to include:

(h) In connection with the performance of its obligations hereunder, Contractor shall

establish, implement and perform quality control and monitoring of programming contract compliance

Amend Exhibit "A" Policies and Procedures, section 2 (g) to read:

(g) Material that is indecent and/or obscene according to local community standards or is otherwise illegal, or non compliant with the City of Houston's Code of Ordinances

And

By copy of this memorandum, I offer the following amendments to Agenda Item 35, on the August 10, 2005, in reference to the contract between the City of Houston and Houston Media Source.

Amend Article VI. Section Q to include:

Contractor shall not delegate any portion of its performance under this agreement as it relates to Article III." – (POSTPONED BY MOTION #2005-773) – was presented.

Council Member Wiseman stated that as to the amendments that were presented at the last Council session at which this item was up for consideration, with the opportunity to work with the administration and the representatives of the Mayor they had gone through each amendment to fine tune it and change out some language, that she had circulated those written changes to the Council Members for consideration, that she appreciated that the administration was working with them in trying to address concerns, that she would like to add that it was her understanding that the amendment to amend "Article VI, Section Q - Contractor shall not delegate any portion of its performance under this agreement as it relates to Article III", it was her understanding that the administration felt that was most appropriate along with the amendment for D, which was amending Article III, Section A1 to include and at that point adding it on to D, that she appreciated the direction on that, that at this time she would circulate the changes to fine tune what they had worked together on, and they were written changes for consideration.

Council Member Wiseman offered the following written motion to amend Item No. 36 as follows:

"At all reasonable times during the term of this agreement and for three years thereafter the Director ~~and City Representatives~~ Council Members shall have access to all books and records of Contractor related to the performance of this Agreement. ~~and may conduct any audit of such books and records as may deemed necessary and proper by the Director and/or City Representatives.~~ Contractor shall make all information related to this Agreement available in Houston, Texas, to the Director and City ~~Representatives~~ Council Members upon request

Amend Article III. Duties of Contractor, Section H. to include:

Contractor shall be required to verify and maintain records of artist licensing agreements and/or proof of ~~all copyright~~ ownership. Such licensing verification must be approved prior to broadcast.

Houston MediaSource must obtain from every "producer" copies of ~~execute~~ executed license agreements and/or proof of ~~copyright~~ ownership for all programming broadcast on Houston MediaSource.

Amend Article III. Duties of Contractor, Section A (1) to include:

(d) Operational Controls shall include staff review of ~~all~~ programming, prior to transmittal via cablecast, to ensure compliance with all applicable laws, contracts, City Ordinances and the City's cable franchise agreements.

Amend Article III. Duties of Contractor to include:

Contractor shall provide written strategic plan within ~~30~~ 60 days of the execution of this contract to include fundraising goals and objectives.

Amend Article III. Duties of Contractor, Section A (2) to read:

(b) to involve the community in the development and production of public access programming, including educational institutions located within the service area; and

(d) a plan of work to achieve the actions required herein shall be provided within ~~60~~ 90 days of execution of this agreement.

Amend Exhibit "A" Policies and Procedures, section 1 to include:

(h) In connection with the performance of its obligations hereunder, Contractor shall establish, implement and perform quality control and monitoring of programming contract compliance

Amend Exhibit "A" Policies and Procedures, section 2 (g) to read:

(g) Material that is indecent and/or obscene according to local community standards or is otherwise illegal, or non compliant with the City of Houston's Code of Ordinances

And

By copy of this memorandum, I offer the following amendments to Agenda Item 35, on the August 10, 2005, in reference to the contract between the City of Houston and Houston Media Source.

Amend Article VI. Section Q to include:

Contractor shall not delegate any portion of its performance under this agreement as it relates to Article III."

Mayor White asked Council Member Wiseman if the written changes had been circulated and Council Member Wiseman stated yes, and Mayor White stated that the pending item was Council Member Wiseman's motion to amend her amendment which made certain changes which were indicated on the handout, and Council Member Wiseman stated that was correct, and Mayor White stated that he would state the administration's position, the substance of these amendments they agreed to with two exceptions that may be resolved with some discussion and one was the phrase "Amend Exhibit A Policies and Procedures, section 2 (g) to read: (g) Material that is indecent and/or obscene", that the words indecent and/or, at some point based on the advice of counsel and their deliberations there may be issues to where they could not agree to that change to the extent that it made all of the amendments invalid, and on the issue of "delegate", he thought they understood the intent but some discussion and clarification of the intent, that they would get around to those issues but with those exceptions, one of which was just clarification and discussion so that they would understand it.

Council Member Wiseman stated that what they could do was divide the question to consider that item separately and moved to divide the question to consider amendment (g), as presented in the written amendment, separately, seconded by Council Member Holm.

Mayor White stated that if there no was objection it was so ordered, and the pending issue then was all of the provisions up to that point.

Upon questions by Council Member Quan, Council Member Wiseman stated that as a

point of clarification on the issue, the purpose of the amendment was to make sure that Council Members, at any time that they were having to review and inquire as to the books and records of the contractor, she felt important to put the information in there, that as a matter of law, in their Charter, they had the authority as officers of the City to have access to any and all documents that related to the City of Houston, of course some of those were privileged documents and they could not make that available to anyone else, however as she had personally experienced in this situation simply requesting the documents had not resulted in the production of the documents, they had not been forthcoming with the documents so beyond the quarterly reports there were other documents that were produced by the contractor, of course there were issues such as even invoices, Council Members had the authority to request purchasing orders and invoices and the like and if the contractor seemed to be under a mistaken impression this was an effort to make it very clear that it was Council's authority, that with the amendment they were just spelling it out as they did with so many other provisions within their contracts, so it was not redundancy or putting in something that was unnecessary, it was just making it clear within the contract, that at the same time it was understood that the F&A Director had that authority as well besides officers of the City, so if they were going to put in a provision that addressed the authority of the F&A Director, which was already there, then there was nothing different to add Council Members on there as well, that the purpose for taking out the word copyright was the concern of the administration that ownership included an informal copyright law.

Mr. Michel stated that it was just a concern that it would not be read so narrowly as only to allow the federal filing and certification for copyright and would include common law copyright, someone's ability to prove it that way, that ownership would be more inclusive whether they went through the formal copyright procedures.

Upon further questions by Council Member Quan, Council Member Wiseman stated that the purpose of the amendment was to make clear that the responsibility lay with the contractor because they had seen instances already where pieces of work had been cable cast that the producer did not have the licensing rights to even put forward for cable casting, so it was important in accordance with FCC and in accordance with their own code, it was important that they make that specification clear in the contract.

Council Member Quan stated that they had all received a memorandum from Mr. Michel that said that under the current contract Houston MediaSource was in compliance with the law so it did not seem to add any more restrictions, and Mr. Michel stated that it was more of a clarification then adding a new obligation.

Mayor White stated that the pending item was the motion to amend Item No. 36 contained from the beginning of the three page written motion by Council Member Wiseman up to the last section, which referred to indecent or obscene.

A vote was called on Council Member Wiseman's motion to amend Item No. 36a. All voting aye. Nays none. Council Member Green absent on personal business. MOTION 2005-0917 ADOPTED.

Mayor White stated that the pending item was:

"Amend Exhibit "A" Policies and Procedures, section 2 (g) to read:

(g) Material that is indecent and/or obscene according to local community standards or is otherwise illegal, or non compliant with the City of Houston's Code of Ordinances", and stated that the administration objected to the language indecent and/or.

Council Member Wiseman requested a point of clarification and stated that they just approved the amendments as amended, and Mayor White stated amendments as amended,

and now the divided question, it was the matter that had been separated for consideration, which was (g).

Mayor White stated that they had adopted basically the handwritten amendments and asked if they should consider now amending, and Council Member Wiseman stated that they had divided the question so it had to be considered separately, and Mayor White stated that she was right, that they had amended the posted amendment with the conforming changes and then at the end, after they would go through all three they would vote on the amendment, and Council Member Wiseman stated that they would vote on the contract, and Mayor White stated that he correctly stated the pending item, which was the last item on the page.

After a lengthy discussion by Council Members, Council Member Quan moved to call the question, and Mayor White stated that if there was no objection it was so ordered.

Mayor White stated that the issue was the one part and they had one other amendment to the amendment, and a roll call vote was called on the divided portion of Item No. 36. (Amend Exhibit "A" Policies and Procedures, Section 2 (g)).

ROLL CALL VOTE:

Mayor White voting no	Council Member Garcia voting no
Council Member Lawrence voting aye	Council Member Alvarado voting no
Council Member Galloway absent	Council Member Ellis voting aye
Council Member Goldberg voting no	Council Member Quan voting no
Council Member Edwards voting no	Council Member Sekula-Gibbs voting aye
Council Member Wiseman voting aye	Council Member Green voting absent on personal business.
Council Member Khan voting no	Council Member Berry voting aye
Council Member Holm voting aye	MOTION 2005-0918 FAILED

Mayor White stated that the next item was the last item which was motion to amend Article VI Section Q.

Council Member Wiseman requested a point of order and stated that the vote was now on the main item, the contract with Houston MediaSource because the amendments prior had already been approved, the other amendment that was considered separate was voted down and now the pending issue was the main item and that was the contract.

Mayor White asked Council Member Wiseman what was her intention with respect to the amendments stating "contractor shall not delegate any portion of its performance under this agreement", had they considered it, and Council Member Wiseman stated that when the amendment was presented in written form it was included, the amendment was amended to say that that portion would go under Article III Section (d), it was a verbal amendment seconded by Council Member Holm, so it was included as a whole. (Note: no record was found of a vote being called on verbal amendment.)

Mayor White stated that the pending item was the ordinance as amended, the main item as amended.

36a. ORDINANCE approving and authorizing renewal contract for Programming Services between the City of Houston and HOUSTON MEDIASOURCE for Public Access Channel – (This was Item 35 on Agenda of August 10, 2005, POSTPONED BY MOTION #2005-774) - was presented as amended.

Council Member Wiseman stated that she appreciated very much the support of her colleagues on the amendments to attempt to bring a higher standard of quality with the programming, that the FCC made it very clear that they did not have to have public access

programming and if they wanted to minimize their risk for litigation they could eliminate it all together by not having a public access channel, then they would not have to worry about somebody suing them suggesting that their programming was being censored, if they did not have a channel all together then they did not run that risk, so she would say they eliminate the possibility of any litigation as to attempting to restrict the programming, that they were not attempting to do that, the City was not acting in the capacity as a government in attempting to bring quality programming, if so they would be making this requirement of every channel that cable cast through the local systems under their franchise agreements, but they did not it was only for their channel, that the FCC made it clear, that if there was any issue that anyone had with the PEG Channel they took it to the franchising authority, which was the City of Houston, because they left it up to the City, that was the whole reason, they left it up to the City, but since they decided that they would not set the standard she could not support it and would say not to have public access altogether, they would go ahead and eliminate that public challenge and would be voting no.

A roll call vote was called on Item No. 36a as amended.

ROLL CALL VOTE:

Mayor White voting aye	Council Member Garcia voting aye
Council Member Lawrence voting no	Council Member Alvarado voting aye
Council Member Galloway voting aye	Council Member Ellis voting no
Council Member Goldberg voting aye	Council Member Quan voting aye
Council Member Edwards voting aye	Council Member Sekula-Gibbs voting no
Council Member Wiseman voting no	Council Member Green absent on personal business.
Council Member Khan voting no	Council Member Berry voting no
Council Member Holm voting no	ORDINANCE 2005-1075 FAILED

37. RECOMMENDATION from Finance & Administration to award to CRANE WORKS, INC for Rental of Two Crane Trucks for Department of Public Works & Engineering - \$180,000.00 Enterprise Fund - (This was Item 17 on Agenda of September 7, 2005, TAGGED BY COUNCIL MEMBER QUAN) - was presented, moved by Council Member Edwards, seconded by Council Member Garcia.

Council Member Quan stated that he had tagged the item last week because they were paying rental for two cranes at \$180,000 and thought that was pretty high, they could buy the cranes for \$250,000 but he had discussions with Public Works and they told him that these cranes break down and by renting, when they break down, they would automatically get another crane without having any down time so he was satisfied now that it was worthwhile.

A vote was called on Item No. 37. All voting aye. Nays none. Council Member Green absent on personal business. MOTION 2005-0919 ADOPTED.

38. RECOMMENDATION from Finance & Administration to award to CARDINAL HEALTH, INC for Medical, First Aid and Emergency (Just-In-Time) and Family Planning (340B Program) Supplies for Various Departments - \$9,326,636.12 - General and Grant Funds - (This was a portion of Item 19 on Agenda of September 7, 2005, TAGGED BY COUNCIL MEMBER WISEMAN) - was presented, moved by Council Member Alvarado, seconded by Council Member Wiseman.

Council Member Wiseman moved to divide the question to separate out the items that fell under the 340B Program. Mayor White asked if there was a second on the motion and hearing none the motion died for lack of a second. Council Member Green absent on personal business. MOTION 2005-0920 DIED FOR LACK OF A SECOND.

A vote was called on Item No. 38. Council Members Wiseman, Berry and Ellis voting no,

balance voting aye. Council Member Green absent on personal business. MOTION 2005-0921 ADOPTED.

39. ORDINANCE AMENDING SECTION 2-28 OF THE CODE OF ORDINANCES, CITY OF HOUSTON, TEXAS, relating to Emergency Reassignment of certain employees under extraordinary or catastrophic circumstances - (This was Item 20 on Agenda of September 7, 2005 TAGGED BY COUNCIL MEMBER HOLM) - was presented. All voting aye. Nays none. Council Member Green absent on personal business. ORDINANCE 2005-1076 ADOPTED.
40. ORDINANCE consenting to the creation of HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 461 - (This was Item 28 on Agenda of September 7, 2005, TAGGED BY COUNCIL MEMBER GALLOWAY) - was presented. All voting aye. Nays none. Council Member Green absent on personal business. ORDINANCE 2005-1077 ADOPTED.
43. ORDINANCE approving and authorizing an amendment to the Advanced Funding Agreement (approved by Ordinance No. 97-1042, Contract No. 38250) between the City of Houston and TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT) for Columbia Tap Rails to Trails, GFS N-0420-22-2 (SB9155-01) - DISTRICTS D - EDWARDS and I - ALVARADO - (This was Item 47 on Agenda of September 7, 2005, TAGGED BY COUNCIL MEMBERS EDWARDS, GALLOWAY, LAWRENCE and GREEN) - was presented. All voting aye. Nays none. Council Member Green absent on personal business. ORDINANCE 2005-1078 ADOPTED.
44. ORDINANCE authorizing the purchase of land and improvements thereon out of Tierwester 1/4 League, A-75; James Holman Survey, A-323; G.P. Foster League, A-273; and D.W.C. Harris 1/4 League, A-325; Houston, Harris County, Texas, for the Columbia Tap Hike and Bike Trail Project, CIP N-0420-22-2; approving a Purchase and Sale Agreement with the owner of the land (Union Pacific Railroad Company) - \$3,900,553.00 Bond Funds - DISTRICT D - EDWARDS and I - ALVARADO - (This was Item 48 on Agenda of September 7, 2005, TAGGED BY COUNCIL MEMBERS EDWARDS, GALLOWAY and GREEN) - was presented. All voting aye. Nays none. Council Member Green absent on personal business. ORDINANCE 2005-1079 ADOPTED.

MATTERS TO BE PRESENTED BY COUNCIL MEMBERS

Council Member Holm stated that with the Mayor's leadership and the leadership of her colleagues on Council and their community, over and over as they had addressed the most devastating natural emergency in the history of the Nation they all continued to get cards that the City looked good, that they had rallied to answer the emergency need in a way never before examined and happened, but the next phase may even be the hardest phase rather than the emergency and that was how they really would get back to business in Houston and how they looked at as many as 150,000 citizens and the impact they were going to have on the neighborhoods, education and their economy, so they had to address it and look at it and help their neighbors get back to and supporting the business of rebuilding the City of New Orleans so that they could go back to that. Council Members Lawrence and Ellis absent.

Council Member Khan asked that on Item No. 36a was there a provision for him to change his vote on the item, and Mayor White stated that there was no provision for people changing a recorded vote, that he could express on the record what his intention was and they could bring up, at another time, some item addressing the same issue so long as there were some parliamentary procedures on bringing up items that addressed certain issues, that right now the legal status was that they had not extended a contract for Houston MediaSource on the terms that were amended by Council and frankly they would take a look at where that put them and their legal status and whether or not anybody had a proposal around the table before they told Houston MediaSource to fire everybody and pull the plug, whether that was what the Council

intended. Council Members Lawrence, Ellis, Sekula-Gibbs and Berry absent.

Council Member Khan stated that he did not want Houston MediaSource to go out of business, he wanted Houston MediaSource to continue, that if there was no provision to change maybe he could bring it with some changes to the contract. Council Members Lawrence, Ellis, Sekula-Gibbs and Berry absent.

Council Member Wiseman requested a point of order and stated that the item had already been addressed and voted on, that Council Member Khan could not change his "no vote", he could change with the support of Council a "yes vote", an item that was considered before could not be brought up for reconsideration for 90 days, according to Council rules. Council Members Lawrence, Ellis, Sekula-Gibbs and Berry absent.

Mayor White stated that there may be procedures for addressing the issue of who and how does municipal access under the rights before they let the cable lapse and that was something that they would have to consider as a body. Council Members Lawrence, Ellis, Sekula-Gibbs and Berry absent.

Council Member Khan stated that he needed somebody to help him out, that there was still a lot of concern about the way the voucher system was working out for the evacuees, so if someone from the Housing Department could visit with him and give him the process as to what was needed in terms of someone trying to get an apartment through the voucher system. Council Members Lawrence, Wiseman, Ellis, Sekula-Gibbs and Berry absent.

Council Member Khan stated that he wanted Houston MediaSource to continue in the business and if there was any way to have the contract done he would appreciate help in that area. Council Members Lawrence, Wiseman, Holm, Ellis, Sekula-Gibbs and Berry absent.

Council Member Quan stated that he wanted to thank all of the citizens of Houston for their continued support of the Katrina victims and Mayor White in particular for his leadership in the area, that they had a job fair scheduled for Saturday at the Houston Community College on the West Loop, that as they looked to attending to the needs of the individuals from New Orleans he could not help but see the community will to reach out to people in need in general, that he had been working on an effort to end chronic homelessness in Houston and would like to later propose a resolution whereby they exert that same effort to end homelessness in their City that they were looking at for the individuals from New Orleans; that they had been talking also about an ordinance dealing with affordable housing and would like to get that in place to, that they saw what could happen when people were not prepared, so he thought that as they looked at the issue today they needed to be looking at the long term for citizens of Houston in the areas of affordable housing and ending homelessness. Council Members Lawrence, Wiseman, Holm, Ellis, Sekula-Gibbs and Berry absent.

Council Member Goldberg stated that he wanted to thank Mr. Richard Andrews and Mr. Freeman Atkins for the Council breakfast that they provided, that they were with Nutritious Catering and Whole Food Network, that they did a great job. Council Members Lawrence, Wiseman, Holm, Ellis, Sekula-Gibbs and Berry absent.

Council Member Goldberg stated that as to the Hurricane Katrina situation, he could just not give enough credit to the Mayor's staff who was asked to work far more hours than their 40 hours without any additional pay and also all the directors who was doing things that they normally did not do, that they were going up and beyond and learning things that they really were not supposed to have to learn and doing things that their job requirement did not require, that they should be commended in a right fashion. Council Members Lawrence, Wiseman, Holm, Ellis, Sekula-Gibbs and Berry absent.

Council Member Goldberg stated that he wanted to thank the Council for passing the quiet

zones, that it was with two other cities, and in sixty days they should have it, that it would increase property value within the City of Houston and probably more than pay for itself. Council Members Lawrence, Wiseman, Holm, Ellis, Sekula-Gibbs and Berry absent.

Council Member Goldberg stated that Astroworld was closing its doors and hopefully there would be some initiative to help a company relocate another amusement park in Houston and fill that void. Council Members Lawrence, Wiseman, Holm, Ellis, Sekula-Gibbs and Berry absent.

Council Member Galloway stated that she knew they had Council rules that governed when they could bring matters back upon the table but it was one thing about Council they always tended to waive their rules in case of something that really needed to take care of City business, so they could of course waive rules to bring items back to the table and was sure they could get the support for that because they did need to look at all the aspects of MediaSource and what it had contributed to the Houston community so she would be in support of waiving the Council rules because they waive their rules when they get ready on other matters. Council Members Lawrence, Wiseman, Holm, Ellis, Sekula-Gibbs and Berry absent.

Mayor White stated that he thought it was very important that colleagues, even when they disagreed with colleagues, treat their colleagues with respect, that there had been on occasion, including in this case, where he tried to assist somebody in drafting something that he did not agree with but he wanted them to draft it in a way was artful and proper and perhaps over the next couple of weeks they would see and put to a test the public commitment that everybody would have with treating their colleagues with respect. Council Members Lawrence, Goldberg, Wiseman, Holm, Ellis, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Council Member Galloway stated that she wanted to applaud the Mayor, his staff and the entire Houston community for the support they had given to their neighboring city of New Orleans in the Katrina effort. Council Members Lawrence, Goldberg, Wiseman, Holm, Alvarado, Ellis, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Council Member Galloway stated that there would be an MWBE Committee meeting today at 2:00 p.m., that they had some information that she thought would be very helpful for those who were not quite familiar with the MWBE processing. Council Members Lawrence, Goldberg, Wiseman, Holm, Alvarado, Ellis, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Council Member Edwards stated that she would like to also thank everyone on the Mayor's staff for the work they had done regarding Katrina and would like to also thank St. Luke's Methodist Church for their contribution to the community shelters, that was an issue they were still trying to get their hands around and how to get people who were in shelters and peoples homes and in community churches in the loop so they were still working on that she really wanted to thank HEB and Kroger for stepping up to the plate and providing services, that they had received in the community donations from as far away as South Africa, that she had a Council Member friend in Newark, New Jersey who had sent almost four flat loads of donations, new items and medicines and so forth, Council Member Jenkins of Newark, New Jersey, that it was a worldwide effort that was helping to support what was going on in Houston. Council Members Lawrence, Goldberg, Wiseman, Holm, Alvarado, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Council Member Edwards stated that the issue regarding Jones High School, the Black Social Works and Psychologists were really wanting to be a part of this and trying to help with the counseling that was to be made available to the parents and students on both sides of the issue, so they were trying to get them involved in the process, that she had given some information to Mr. Michael Moore this morning and hopefully that would be able to give them another layer of people to work and to bring some solution to the issue. Council Members Lawrence, Goldberg, Wiseman, Holm, Alvarado, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Council Member Edwards stated that she was really disturbed regarding the vote that they took on Houston MediaSource, she was not attorney but it seemed to her to deny a contract based on what she heard at the Council table could put the City in some jeopardy. Council Members Lawrence, Goldberg, Wiseman, Holm, Alvarado, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Council Member Edwards stated that they spent an hour talking about Houston MediaSource and the word indecency and they spent less than five minutes about Frances Newton who was going to be killed today at 6:00 p.m., that if there was a matter regarding indecency or obscenity she thought that was it, that even if they had different opinions the fact that there was so much evidence, especially with the Houston DNA and Crime Lab being involved somewhat in the issue, it just seemed obscene. Council Members Lawrence, Goldberg, Wiseman, Holm, Alvarado, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Council Member Garcia stated that there was a lot to be said for the City of Houston and for Mayor White's leadership as well as the County and for City employees across the board, that he wanted to say thank you to Colonel Noriega for his leadership and by the same token he wanted to sing the praises of unsung heroes, Mr. Terrance Fontaine and Michael Moore, that he saw them right next to the Colonel doing quite a bit. Council Members Lawrence, Galloway, Goldberg, Wiseman, Holm, Alvarado, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Mayor White stated that Council Member Garcia had named some people but there were others where nobody would know what they did and when they did it in ways that people would find unbelievable, but it did include Mr. Pat Trahan and Ms. Linda Clark. Council Members Lawrence, Galloway, Goldberg, Wiseman, Holm, Alvarado, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Council Member Garcia stated that he wanted to remind them that on Friday would be POW and MIA Day and there would be a brief ceremony held in front of the reflection pool at 10:00 a.m. Council Members Lawrence, Galloway, Goldberg, Wiseman, Holm, Alvarado, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Council Member Garcia stated that Saturday was Fiestas Patrias Day and Parade at 10:00 a.m. Council Members Lawrence, Galloway, Goldberg, Wiseman, Holm, Alvarado, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

Council Member Garcia stated that he and State Representative Farrar co-hosted a meeting on the Studemont Reconstruction Project, that there had been challenges there between TXDOT and the contractor and the City and Mr. Mark Latham was also present to answer some questions, that he would urge Public Works that once they could work out the details with the contractor and get some specifics as to when the project would start to move if they could get it out to the community he thought they would appreciate it. Council Members Lawrence, Galloway, Goldberg, Wiseman, Holm, Alvarado, Ellis, Quan, Sekula-Gibbs and Berry absent. (NO QUORUM PRESENT)

There being no further business before Council, the City Council adjourned at 12:32 p.m. Council Member Goldberg out of the city on city business. Council Member Khan out of the city on personal business. Mayor White and Council Members Lawrence, Edwards, Holm, Ellis, Quan, Green and Berry absent. Mayor Pro Tem Alvarado presiding. (NO QUORUM PRESENT)

DETAILED INFORMATION ON FILE IN THE OFFICE OF THE CITY SECRETARY.

MINUTES READ AND APPROVED

Anna Russell, City Secretary

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BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action on the Reprogramming of Program Year (“PY”) 2016 Community Services Block Grant (“CSBG”) Discretionary and Administrative 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 February 25, 2016, the Board approved the usage of 2016 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 February 2016 have not resulted in the full utilization of CSBG-D funds;

WHEREAS, the Department has determined that there remains approximately \$691,562 in unexpended PY 2016 CSBG-D funds and approximately \$700,000 in unexpended PY 2016 CSBG Administrative funds;

WHEREAS, the Department wishes to expend the funds prior to the funds’ expiration on September 30, 2017, and therefore warrant prompt reprogramming; and

WHEREAS, 15 subrecipients recommended in this action have achieved expenditure rates of 90% or greater within the original contract period;

NOW, therefore, it is hereby

RESOLVED, that the Board approves of the reprogramming of remaining 2016 CSBG-D funds and 2016 unexpended CSBG administrative funds to provide funds to the 15 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 conditioned on EARAC approval; and

FURTHER RESOLVED, that should any funds designated for these or other 2016 CSBG-D activities remain unused after a reasonable period, those funds, along with any additional unused CSBG-D or CSBG Administrative funds from 2016 or prior years, may also be redistributed to these projects.

BACKGROUND

At the board meeting of February 25, 2016, the Board approved utilizing \$1,600,000 in CSBG-D funds for the following:

Use of PY 2016 CSBG-D Funds	Original Plan Oct 2016	Contracted/ Committed	Available for Reobligation
Network Operational Investments	\$550,000	\$272,438	\$277,562
Intensive CAA Assessments	\$150,000	\$78,000	\$72,000
Network Transitions Fund	\$150,000	\$0	\$150,000
Training and TA	\$150,000	\$75,000	\$75,000
MSFW & NA	\$300,000	\$300,000	\$0
Voucher Support	\$150,000	\$150,000	\$0
Disaster Recovery	\$150,000	\$145,000	\$5,000
Unobligated	\$112,000	\$0	\$112,000
Administrative	NA	NA	\$700,000
Total Unexpended Balance:			\$1,391,562

In addition to the \$691,562 in CSBG-D funds, there is an estimated \$700,000 in PY 2016 unexpended Department CSBG Administrative Funds resulting in a total amount being reprogrammed of approximately \$1,391,562.

CSBG-D funds allow flexibility and can be utilized for addressing special projects, targeted populations and Department needs consistent with the purpose of the CSBG Act. The projects and activities that are proposed for funding meet the purpose of the CSBG Act.

Proposed Use of Unexpended CSBG-D and Administrative Funds

Staff recommends re-programming the \$1,391,562 to CSBG eligible entities that had expended 90% or more of their contracted PY2016 CSBG funds by the original contract end date and had their previous participation approved pursuant to 10 TAC, Chapter 1, Subchapter C, §1.302 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, 2017. The list of these 15 entities is in the table below with the approximate amounts, based on their 2017 proportional share among the awarded recipients, to be distributed to each entity.

Subrecipient	Amount
Aspermont Small Business Development Center, Inc.	\$21,340
Big Bend Community Action Committee	\$21,339
Central Texas Opportunities, Inc.	\$28,179
Combined Community Action, Inc.	\$29,352
Community Action Inc., of Central Texas	\$37,348
Community Action Social Services and Education	\$22,888
Community Services of Northeast Texas, Inc.	\$61,644

Subrecipient	Amount
Economic Action Committee of the Gulf Coast	\$21,339
Galveston County Community Action Council, Inc.	\$127,578
Gulf Coast Community Services Association	\$685,240
Hill Country Community Action Association, Inc.	\$72,949
Panhandle Community Services	\$80,281
South Plains Community Action Association, Inc.	\$39,653
Texas Neighborhood Services	\$59,950
West Texas Opportunities, Inc.	\$82,482
Total:	\$1,391,562

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BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action on the selection of a Subrecipient to administer the Low Income Home Energy Assistance Program (“LIHEAP”) Comprehensive Energy Assistance Program (“CEAP”) to provide services in Dimmit, La Salle and Maverick counties

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov’t Code, §§2306.053, .092, and .097, the Texas Department of Housing and Community Affairs (the “Department”) is provided the authority to administer the CEAP;

WHEREAS, the Department administers the CEAP from LIHEAP funds from the U.S. Department of Health and Human Services;

WHEREAS, on October 13, 2016, the Department initiated proceedings to remove the CEAP funds from the current administrator of the CEAP in Dimmit, La Salle, and Maverick counties;

WHEREAS, upon notification of such proceedings, the administrator for Dimmit, La Salle, and Maverick counties pursued a request for a hearing; a hearing was set and then CSA withdrew the request for a hearing therefore the CEAP awards from this Request for Applications (“RFA”) can be made in these counties without conditions relative to that removal process;

WHEREAS, on November 12, 2015, the Department received authorization from this Board to release a RFA in cases in which program coverage is not in place;

WHEREAS, on November 17, 2016, the Department released an RFA to administer the CEAP in Dimmit, La Salle and Maverick counties and received four responses by the December 16, 2016, deadline, of which three satisfied the required criteria;

WHEREAS, Community Council of South Central Texas, Inc. (“CCSCT”) was the highest scoring respondent and has satisfied the threshold requirements and Previous Participation Review, and this award was recommended by the Executive Award Review and Advisory Committee (“EARAC”) in accordance with 10 TAC Chapter 1, Subchapter C on February 17, 2017; and

WHEREAS, the three respondents that satisfied threshold requirements have been issued scoring notices along with their right to appeal, and no appeals were filed;

NOW, therefore, it is hereby

RESOLVED, that CCSCT is awarded the 2017 CEAP funds for Dimmit, La Salle, and Maverick counties, in the amounts shown in Exhibit A, and shall be the designated network provider to receive CEAP funds for the associated counties until such time that the designation requires review.

BACKGROUND

At the Board meeting of October 13, 2016, the Board approved the Department's request to remove and not renew the CEAP funds for Community Services Agency of South Texas ("CSA") and allowing temporary providers in Dimmit, La Salle, and Maverick counties.

At the Board meeting of November 12, 2015, the Board provided broad authorization to staff to release an RFA and enter into agreements with one or more entities to administer any one or more of the CSBG, LIHEAP, or DOE WAP programs for the benefit of providing continued services to eligible low income households in a service area whenever it deems such action necessary or advisable to address a possible loss of services in an area of the state under one or more these programs.

The RFA issued on November 17, 2016, encouraged applicant organizations to apply for CSA's service area. The application deadline was December 16, 2016. Staff received four applications – one each from CSA, CCSCT, South Texas Development Council ("STDC"), and Community Action Social Services and Education ("CASSE"), Inc. These were reviewed and three of the four were found to satisfy the required threshold requirements. The application submitted by CSA did not satisfy the RFA requirement that "in order to be a qualified applicant, the applicant cannot owe the Department more than \$25,000" and that "an applicant cannot be delinquent in their submission of their Single Audit either at the time of application or at the time of the award." CSA was therefore terminated for failure to meet threshold requirements and their application was not reviewed. CSA was provided the opportunity to appeal that termination, but chose not to do so.

After removing CSA, all remaining applicants scored above the minimum point threshold with CCSCT being the highest scoring respondent. The Award for CCSCT was reviewed and recommended by the Executive Award Review and Advisory Committee ("EARAC") in accordance with 10 TAC Chapter 1, Subchapter C.

At the Board meeting of January 26, 2017, the Board authorized that 25% of the 2017 CEAP contract awards be made to CCSCT, pending completion of the process of removing funds from CSA. However, on

January 19, 2017, after board materials were publicly posted proposing action on only the 25% amount, CSA confirmed that they would not be pursuing the hearing any further.

The table below shows the estimated 2017 CEAP allocations for each county within CSA's former service area.

Exhibit A:

County	Estimated Allocation (\$)
Dimmit	144,884
La Salle	110,757
Maverick	423,684
TOTAL	\$679,325

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BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action Regarding Authorization to Release a Notice of Funding Availability (“NOFA”) for Program Year 2017 Community Services Block Grant Discretionary (“CSBG-D”) Funds for Native American and Migrant Seasonal Farm Worker Populations

RECOMMENDED ACTION

WHEREAS, CSBG funds are awarded annually to the Texas Department of Housing and Community Affairs (the “Department”) by the U.S. Department of Health and Human Services (“USHHS”);

WHEREAS, the Department reserves 90% of the allotment for CSBG eligible entities to provide services/assistance to the low-income population in all 254 counties; up to 5% for state administration expenses; and the remaining amount for state discretionary use;

WHEREAS, at the Board meeting of October 13, 2016, the Department established a set aside of \$1,600,000 for 2017 CSBG-D projects, including \$300,000 for migrant seasonal farm worker and Native American population education and employment initiatives; and

WHEREAS, CSBG-D funds for migrant seasonal farm worker and Native American population initiatives will be made available to eligible applicants to carry out the purpose of the CSBG pursuant to 42 U.S. Code Chapter 106;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director be granted the authority to release a NOFA for 2017 CSBG-D funds for migrant seasonal farm worker and Native American population initiatives;

FURTHER RESOLVED, that to the extent that subsequent revisions to the NOFA are required in order to facilitate the use of the funds by the applicants, the Board also authorizes staff to make such revisions in accordance with, and to the extent limited by the CSBG federal and state regulations; and

FURTHER RESOLVED, that staff is authorized, empowered, and directed, for and on behalf of the Department to execute such documents, instruments and writings and perform such other act as may be necessary to effectuate the foregoing.

BACKGROUND

Each year the Department sets aside 5% (approximately \$1,600,000) of its annual CSBG allocation for state discretionary use. Each year funds from CSBG-D are used for specific identified efforts that the Department supports and other ongoing initiatives such as employment and education programs for migrant and seasonal farm workers and Native Americans. This year, \$300,000 has been targeted for migrant and seasonal farm worker and Native American populations for employment and education programs for which the Department is issuing this NOFA. This amount is substantively unchanged from the amounts programmed for this activity last year. The Department will release funds competitively.

In the event that the Department does not have sufficient eligible applications to fund in this category, the Department may, at the discretion of the Executive Director, reprogram the funds from this category into another eligible category approved with this action to award additional funds, with subsequent ratification by the Board.

The Department's anticipated contract period for Program Year ("PY") 2017 CSBG-D migrant seasonal farm worker and Native American initiatives is June 1, 2017, through May 31, 2018, which has the contracts starting earlier than in the past in an effort to maximize the amount of time to expend funds prior to their expiration.

The NOFA and Scoring Attachment B are attached for review and approval as part of this item. The other attachments referenced in the NOFA, Attachments A and Attachments C through I, are submission forms of required information or certifications, and are not included within this Board Action Item.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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February 28, 2017

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Email: michael.deyoung@tdhca.state.tx.us*

To: Interested Parties

RE: Notice of Funding Availability ("NOFA") for Federal Fiscal Year ("FFY") 2017 Community Services Block Grant ("CSBG") Discretionary Funds for Services to Native American and Migrant Seasonal Farm Worker Populations.

The Texas Department of Housing and Community Affairs (the "Department") is pleased to announce a NOFA for FFY 2017 CSBG Discretionary Funds for services to Native American and Migrant Seasonal Farm Worker Populations. The Department is seeking organizations interested in administering projects focused on employment and education in Native American and Migrant Seasonal Farm Worker populations.

Interested applicants must meet the requirements set forth in the application and must submit a complete application through the established system described in the NOFA by Friday, March 31, 2017, 5:00 p.m. Austin local time.

The application forms contained in this packet and submission instructions are available on the Department's web site at <http://www.tdhca.state.tx.us/community-affairs/nofas.htm>. The Department looks forward to receiving your completed application. Should you have any related questions, please contact Gavin Reid at (512) 936-7828 or gavin.reid@tdhca.state.tx.us.

Sincerely,

Michael DeYoung
Director
Community Affairs Division

MDY/gr



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I. GENERAL INSTRUCTIONS

A. Application Deadline:

All applications must be submitted before Friday, **March 31, 2017, 5:00 p.m. Austin local time.**

B. Electronic Submission:

All applications must be submitted electronically to be considered eligible applications. Applications are to be submitted through the Wufoo using the following link:

<https://tdhca.wufoo.com/forms/native-americansmigrant-seasonal-farm-worker-nofa/>

C. Application Questions

Application questions may be submitted via electronic mail to rita.garza@tdhca.state.tx.us. Answers will be provided in the order in which they are received. Please do not submit the same questions twice as you await a response.

The deadline to submit questions related to the content of the NOFA and Application is Thursday March 30, 2017, by 11:00 a.m. Austin local time. Questions related to the content of the NOFA submitted after this deadline may not be answered.

D. Eligibility Requirements:

Applications which are not materially complete will not be reviewed nor scored, but will be notified and provided an opportunity for appeal. In order for an application to be deemed eligible for review, the following minimum requirements must be met:

1. An Applicant must meet all requirements as set forth in II. General Information, C. Eligible Applicant Organizations;
2. An Applicant that is a private nonprofit must provide documentation of their status as a tax-exempt entity under Section 501(c) of the Internal Revenue Code;
3. An Applicant must provide Fiscal Accountability Documentation as set forth in III. Application Content, 4. Financial Information;
4. Neither an Applicant nor any of its current principal parties may be included in the System for Award Management (formerly Excluded Parties List System);
5. Successful Applicants will be reviewed by the Department's Executive Award Review Advisory Committee in accordance with 10 TAC Chapter 1, Subchapter C.

II. TIMELINE FOR NOFA AND APPLICATION

Date	Action
February 28, 2017	The application will be available through the TDHCA Website: http://www.tdhca.state.tx.us/community-affairs/nofas.htm
March 30, 2017 11:00 a.m. (Austin local)	Deadline to submit questions regarding the NOFA and application prior to application submission.
March 31, 2017 5:00 p.m. (Austin local)	Deadline for Applicants to submit applications in response to this NOFA for this portion of FFY 2017 CSBG State Discretionary Funds.
May 25, 2017	Department will present funding recommendations to Board.
June 1, 2017	Contract Start Date
May 31, 2018	Contract End Date

III. GENERAL INFORMATION

A. Background

The Texas Department of Housing and Community Affairs (the “Department”) has been designated as the state agency to administer the Community Services Block Grant (“CSBG”). On an annual basis, the Department receives CSBG funds from the U.S. Department of Health and Human Services (“HHS”) to ameliorate the causes of poverty within communities.

The Department is permitted to reserve up to 5% of CSBG funds for state discretionary use for which the Department’s Board has determined specific uses. This Notice of Funding Availability (“NOFA”) for services to Native American and migrant seasonal farm worker populations releases the portion of these FFY 2017 CSBG State Discretionary (“CSBG-D”) funds aimed at services for Native Americans and migrant and seasonal farm workers.

Capitalized words in this NOFA, unless otherwise defined herein, have the meaning outlined in Chapter 2306 of the Texas Government Code or in Title 10 Texas Administrative Code (“TAC”), Chapter 1 or Chapter 6.

B. Funds Available and Award Amounts

In this NOFA, the Department makes available \$300,000 of FY 2017 CSBG funds to utilize for the following discretionary projects:

Migrant and Seasonal Farm Worker Employment Assistance and Services Projects	\$200,000
Native American Education Employment Assistance and Services Projects	\$100,000

Note: each award will be limited to no more than \$100,000

In the event that the Department does not receive sufficient eligible applications to exhaust available funding, the Department in its sole discretion will reprogram the funds. With Board approval the Department may re-program prior year CSBG State Discretionary funds, or additional 2017 CSBG Discretionary funds, and distribute them under this NOFA.

For contracts providing direct assistance, persons assisted must have annual income at or below 125% of the federal poverty income guidelines issued annually by the U.S. Department of Health and Human Services.

The Contract Period for these contracts is proposed to be June 1, 2017, through May 31, 2018. The availability of FFY 2017 CSBG discretionary funds to Subrecipient organizations is dependent on the receipt and availability of funds by the State from HHS. Access to funds may be limited to the amount of 2017 CSBG discretionary funds available to the Department, Board decisions regarding its use, and the amount of funds made available may be reduced at the discretion of TDHCA's Board.

C. Eligible Applicant Organizations

Organizations eligible to apply for CSBG-D NOFA funds include: CSBG Eligible Entities, Private Nonprofit Organizations, Public Housing Authorities, Local Mental Health Authorities, Units of General Local Government, and regional Councils of Governments.

D. Ineligible Applicant Organizations

Non-governmental organizations ineligible to apply for the competitive FFY 2017 CSBG State Discretionary Funds are:

- Private Nonprofit Organizations that do not have a Certificate of Formation (or Articles of Incorporation) and Bylaws;
- Private Nonprofit Organizations that do not have an "in existence" status with the Texas Secretary of State's Office;
- Organizations that are on Debarment and Suspension—no persons on the applicant organization's governing body or employees that will receive CSBG funding are on the System for Award Management in accordance with 2 CFR Part 180; and
- For-profit entities.

The Department is not requiring that organizations submit a Certificate of Formation or proof of status. However, it is the applicant's responsibility to ensure that its information with the Texas Secretary of State's Office is correct and complete. The Department will confirm proof of status directly with the Texas Secretary of State. No administrative deficiencies will be issued for the failure to have the appropriate status. Failure to have the appropriate status will prompt the application to be terminated without further review.

Prior to contract execution, the successful applicant must provide the Department with the organization's Data Universal Numbering System (DUNS) and proof of registration with the Central Contractor Registration (CCR). If the organization is not registered, go to <https://www.sam.gov> to renew, update, or create a new registration.

IV. CSBG-D NOFA Information and Requirements

This CSBG-D NOFA is for services to Native American and migrant seasonal farm worker populations. The NOFA will provide funding for new or existing projects providing education and/or employment assistance and services focusing on the direct needs of individuals and families within the migrant and seasonal farm worker ("MSFW") population or the Native American population.

The successful applicant must ensure that participants receive case management along with the employment and/or education assistance and services.

If sufficient eligible applications that meet threshold criteria are submitted and receive recommendations from the Department's Executive Award and Review Advisory Committee ("EARAC"), it is anticipated that three contracts of \$100,000 each will be awarded. Two contracts will fund assistance to the MSFW

population and one contract will fund assistance to the Native American population. Organizations may submit applications for one or both activities; separate applications are required.

A. Requirements:

Provide education and/or employment assistance and services focusing on the direct needs of individuals and families within the MSFW population or the Native American population.

This activity must be completed throughout the 12-month contract period. The contract period is anticipated to be June 1, 2017, through May 31, 2018.

Applicants must propose to complete activities that have the following results:

1. Operation of employment projects that result in an increase in employment skills or assist persons to obtain jobs; and/or
2. Operation of education projects that result in an increase in education and or skills that will lead to an increase in income.

Persons eligible for direct assistance must have annual income at or below 125% of the federal poverty income guidelines issued annually by the U.S. Department of Health and Human Services.

V. SELECTION PROCESS

A. Eligibility Requirements

The Department will review applications to determine if they meet the following eligibility prescreening criteria. If the Department determines that any of these criteria have not been satisfied, the applicant will be sent a notice of the elimination of their application from consideration, and notified of their opportunity to appeal. The prescreening criteria are:

1. All application threshold documents must be submitted by the application deadline. Application threshold documents are all of the documents that are part of the scoring criteria, or rating factors and are identified as such on the application document.
2. Application documents must be submitted electronically to be considered eligible applications. Applications are to be submitted through the Wufoo using the following link:
<https://tdhca.wufoo.com/forms/native-americansmigrant-seasonal-farm-worker-nofa/>
3. Nonprofit organizations must have a Certificate of Formation on file with the Texas Secretary of State's (SoS) office and have an "active" status with the SoS.

B. Threshold Requirements

Applications which meet all the prescreening eligibility requirements will be reviewed for completeness of threshold requirements. Application threshold documents are all of the documents that are part of the scoring criteria or rating factors and are identified as such on the application document.

After the application receipt deadline, the Department will not consider any unsolicited information that an applicant may want to provide. If an applicant fails to complete or submit one of the threshold documents, the application will be considered incomplete and will not be considered for further review. However, the Department may opt to request additional information through the deficiency process noted below.

The Department provides an avenue for applicants who believe an error has occurred in the scoring of the application to appeal this decision to the Executive Director and to the board. The rules governing the Department's appeal process are 10 TAC §§1.7 and 1.8, including timing requirements, can be found at the Secretary of State's website at:

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

C. Deficiency Notices

The Department may issue a deficiency notice to clarify threshold items in an application. Applicants will have three (3) business days from the date of issuance of the deficiency notice to provide the requested information. Deficiency notices will be e-mailed to the applicant's chief executive and the person specified as the "person to contact with CSBG application questions" in the applicant information form. If the applicant does not provide the requested information within the 3-day time period, the applicant will be sent a notice indicating the reduced score or eliminating it from consideration.

D. Scoring

Applications received from eligible organizations with no threshold deficiencies will be reviewed and scored by the Department. The Department will utilize a standard scoring instrument to evaluate, score, and rank each application. The scoring instrument will award points based on the applicant's response to the requested information in the NOFA packet. **Applications with a score below 50% of the maximum points available will not be considered for funding.**

Applicants proposing to provide services and direct client assistance to MSFW and Native American populations are expected to utilize a significant portion of the CSBG discretionary funds to provide direct client assistance to these populations. Consideration in scoring will be given to projects utilizing a higher percentage of the CSBG discretionary funds for direct client assistance. Applicants will be provided a scoring notice, and provided an opportunity to appeal.

VI. STATE AND FEDERAL REQUIREMENTS

Subrecipients shall comply with all provisions of the Federal and State laws and regulations including but not limited to:

- Public Law 105-285, Title II - Community Services Block Grant Program, Subtitle B Community Services Block Grant Program of the Community Services Block Grant Act, Chapter 106 of the Community Services Block Grant Act (42 U.S.C. §9901 *et seq.*), as amended by the "Community Services Block Grant Amendments of 1994" (P.L. 103-252) and the Coats Human Services Reauthorization Act of 1998 (P.L. 105-285);
- Chapter 2306 of the Texas Government Code;
- Title 10 Texas Administrative Code, Part 1, Chapters 1 and 2;
- Title 10 Texas Administrative Code, Part 1, Chapter 6, Subchapters A and B;
- 2 CFR Part 200, as applicable; and
- Texas Uniform Grant Management Standards.

Subrecipients shall also comply with the Drug-Free Workplace Act of 1988, the Pro-Children Act of 1994, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794), the Americans with

Disabilities Act of 1990 (ADA), as amended (42 U.S.C. 12101 et seq.) and Executive Order 13166 of August 11, 2000 related to Limited English Proficiency.

Subrecipients shall practice non-discrimination and provide equal opportunity in compliance with federal law in keeping with the President's Executive Order 11246 of September 24, 1965 and ensure that a person shall not be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in the administration of or in connection with any program or activity funded in whole or in part with funds made available under this contract, on the grounds of race, color, religion, sex, national origin, age, disability, political affiliation or belief.

Subrecipients shall comply with political activity prohibitions and shall not utilize CSBG funds to influence the outcome of any election, or the passage or defeat of any legislative measure or to directly or indirectly hire employees or in any other way fund or support candidates for the legislative, executive, or judicial branches of government of subrecipient, the State of Texas, or the government of the United States. Subrecipients shall comply with 45 C.F.R. §87.2 and ensure that CSBG funds are not to be used for sectarian or inherently religious activities such as worship, religious instruction or proselytization, and must be for the benefit of persons regardless of religious affiliation.

Subrecipients shall comply with Chapter 2264 of the Texas Government Code 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.

The Department will not subcontract with an organization that includes proposed financial participation by a person who, during the five year period preceding the date of this contract, has been convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or assessed a penalty in a federal, civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.

The Department will not subcontract with an organization where neither it nor its current principle parties are included in the System for Award Management (SAM) maintained by the General Services Administration (GSA). Subrecipient also certifies that it will not award any funds provided by this contract to any party that is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549. Subrecipient agrees that prior to entering into any agreement with a potential subcontractor that the verification process to comply with this requirement will be accomplished by checking the database at <https://www.sam.gov/portal/public/SAM/>.

VII. APPLICATION CONTENT

All pages of the application, excluding the audit, must be numbered. Each application must contain the items listed below in the following order:

1. Table of Contents – must include page numbers.
2. Attachment A – Applicant Information Form – Form must be placed on the top of the application.
3. Attachment B – Application Questions – Complete the NOFA Application Questions document. Applications that do not include a completed document with responses to NOFA Questions will be deemed ineligible.

Please use the following format to provide any information which is requested in response to questions in the Application Questions document:

- Minimum 11 font
 - Standard 8½ “ x 11” paper with 1” margins
 - Provide brief descriptions of requested information.
4. Attachment C – Financial Information – All applications must include documentation of fiscal accountability, even if this information has been previously submitted to the Department.
 - A. All applications must include a completed Audit Certification Form, found on the Department’s website at <http://www.tdhca.state.tx.us/pmcomp/forms.htm>.
 - B. Organizations that are subject to single audit requirement must submit one copy of the organization’s most recent Single Audit report.
 - C. Organizations not subject to the single audit requirement must submit a third-party audit prepared by a Certified Public Accountant, including any notes to the audit.
 5. Attachment D – Uniform Previous Participation Form for Single Family and Community Affairs.
 6. Attachment E – Certifications Regarding Legal Actions, Debarment & Compliance with Laws.
 7. Attachment F – Private Nonprofit Organization’s Tax-Exempt Status Documentation and Evidence of Good Standing with the Texas Secretary of State.
 - A. Existing Internal Revenue Service (IRS) ruling – All private nonprofit organizations must document their status as a tax-exempt entity under Section 501(c) of the Internal Revenue Code. The Department prefers that the ruling be on IRS letterhead which is legible and signed by the IRS District Director. Expired advanced rulings from the IRS are not acceptable.
 - B. Documentation of local nonprofit affiliate of a state or national nonprofit can be submitted if the organization is a subsidiary of a parent organization. Provide a copy of the page listing the affiliate organization in the documents filed with the IRS by the parent organization.
 - C. Documentation of the certificate of Good Standing from the Texas Secretary of State.
 8. Attachment G – Applicant Certifications

The certification must be signed by the organization’s Executive Director. If such cannot be attested, then attach a document explaining why.
 9. Attachment H – CSBG Budget Worksheets:

- A. The proposed budget for CSBG is to be submitted utilizing the Attachment J form. There are several tabs within the spreadsheet to complete. Complete the budget based on the estimated funds available noted in Section III. B.
- B. The Department strongly encourages applicants to budget no more than **20%** of the CSBG funds for **administrative costs** (overhead and staff costs related to administrative staff not involved in the direct delivery of services).
- C. The CSBG does not have limitations on the amount of funds utilized for the provision of direct services or for the costs of staff assigned to provide the direct services.

VIII. APPLICATION REVIEW PROCESS

1. Eligibility Prescreening Review

The Department will review project applications to determine if they meet the following eligibility threshold requirements. If the Department determines any of these criteria are not met, the application will be eliminated from the competition and an opportunity to appeal provided. Such determination can occur due to:

- a. Submitting an application after the application deadline.
- b. Failing to submit any of the completed *threshold documents*, which include:
 - Attachment A: Applicant Information Form
 - Attachment B: Application Questions
 - Attachment C: Financial Information and Audit Certification Form
 - Attachment D: Uniform Previous Participation Information
 - Attachment E: Certifications Regarding Legal Actions, Debarment & Compliance with Laws
 - Attachment F: Private Nonprofit Organization's Tax-Exempt Status Documentation
 - Attachment G: Applicant Certifications
 - Attachment H: CSBG Budget Worksheets

2. Scoring of Applications

Applications will be scored based on the response to the NOFA Application Questions and submission of requested documents. The NOFA Application Questions are designed to evaluate the applicant's capacity in the following areas:

- Part 1: Organizational Capacity
- Part 2: Financial Information
- Part 3: Efficiency
- Part 4: Experience
- Part 5: Proposed Employment and Education Services and Activities
- Part 6: Prior Performance

The Department will consider and evaluate prior monitoring and/or audit issues during its application review. Factors to be considered in the review of each application will include, but not be limited to:

- Eligibility Requirements set forth in Sections I and II;
- Compliance with NOFA instructions;
- Submission of requested information;
- Response to NOFA Application Questions Part 1 – Part 6;

- Capacity to effectively administer federal funds and to ensure compliance with regulations;
- Ability to demonstrate staff and organizational capacity to deliver the proposed services; and,
- Ability to demonstrate positive past performance with Department or other federally funded programs, including the results of Department monitoring reviews, timeliness of submission of reports, results of the last fiscal audit, and other information deemed relevant to performance.

3. Evaluative Review and Deficiencies

Applications that meet all eligibility requirements (including a minimum self-score score of 800) will be reviewed for completeness and scored using a standard review instrument using the scoring structure found in the NOFA Application Questions. If all applicants self score below the minimum point threshold, the Department reserves the right to review the top scoring entity and if, in the Department's judgment, they can appropriately administer the CSBG-D, may recommend an award to its Governing Board.

After the application receipt deadline, the Department will not consider any unsolicited information that an applicant may want to provide. After the Department receives an application, however, the Department may contact the applicant to clarify items in its application or issue a deficiency notice.

Applicants may be issued a deficiency notice detailing any of the required application information that is unclear or that may have been omitted in error. Applicants will have three business days from the date of issuance of the deficiency notice to provide the Department with the requested information. If not provided in that time period, the applicant will be sent a notice of its elimination from the competition. **Deficiency notices will not be issued for failure to submit threshold documents or for the submission of substantially incomplete threshold documents. If an applicant fails to complete or submit one of the threshold documents, the application may be considered incomplete and may not be considered for further review.**

4. Appeals Process

Applicants may appeal the results of the Department's review and selection process if they believe an error has occurred. Appeals must be submitted in writing by following the procedures stated in the Texas Administrative Rule Title 10, Part 1, Chapter 1, Subchapter A, §§1.7 and 1.8.

IX. APPENDICES

Federal and State Requirements:

- A. CSBG Act Coats Human Services Reauthorization Act of 1998, available at <http://www.tdhca.state.tx.us/community-affairs/csbg/guidance.htm>
- B. Texas Administrative Code - 10 TAC Chapter 1, Administration, available at [http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=1](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=1)
- C. Texas Administrative Code - 10 TAC Chapter 2, Enforcement, available at [http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=2](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=2)
- D. Texas Administrative Code - 10 TAC Chapter 6, Subchapter A, General Provisions, available at [http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=6&sch=A&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=6&sch=A&rl=Y)
- E. Texas Administrative Code - 10 TAC Chapter 6, Subchapter B, CSBG, available at [http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=6&sch=B&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=6&sch=B&rl=Y)

X. LIST OF ATTACHMENTS

Ensure all application documents are submitted. Attachments are posted separately on the TDHCA website as fillable MS Word forms and Excel documents:

<http://www.tdhca.state.tx.us/community-affairs/csbg/nofas.htm>

Threshold Documents:

If any of the *Threshold Documents* are missing from the Application submission, the entire Application may be eliminated from consideration.

- Attachment A: Applicant Information Form
- Attachment B: Application Questions
- Attachment C: Financial Information and Audit Certification Form
- Attachment D: Uniform Previous Participation Information
- Attachment E: Certifications Regarding Legal Actions, Debarment & Compliance with Laws
- Attachment F: Private Nonprofit Organization's Tax-Exempt Status Documentation and Evidence of Good Standing with the Texas Secretary of State
- Attachment G: Applicant Certifications
- Attachment H: CSBG Budget Worksheets

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

**Community Services Block Grant (CSBG) Discretionary Notice of Funding Availability
For Services to Native Americans and Migrant Seasonal Farm Worker Populations**

INSTRUCTIONS:

When responding to the questions in Attachment B:

1. **Attachments:** Applicant must complete all areas highlighted in **yellow** and upload attachments according to the instructions found on the Wufoo submission page.
2. **Responses:** If the response is provided in a separate document, please ensure that the *response is uploaded as the appropriate entry in the Wufoo submission*. If the Department is unable to clearly determine which question the response pertains to, the applicant may not receive points for their response.
3. **Years of Experience:** When responding to years of experience, if the experience is 6 months or greater, round your response up to one year. If it is less than six months, do not. For example: 1 year 5 months would be 1 year and 1 year 6 months would be 2 years.
4. All applicants must complete all parts of the application questions.

Part 1: Organization Capacity

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
1.1	<p>The applicant’s experience administering other state or federally funded programs subject to 2 CFR Part 200 or UGMS (currently administered directly by applicant), including funds from the Texas Department of Housing and Community Affairs (TDHCA).</p> <p>In the table below, list all current state or federally funded grant programs greater than \$50,000 administered directly by the applicant and the number of years administering the grant (indicate each grant source only once), including TDHCA funds. Add additional pages as necessary.</p>	<p>State or federally funded grant programs administered:</p> <p>Note: A maximum of 60 points will be awarded.</p> <ul style="list-style-type: none"> • 6+ years: 6 points per grant • 2-5 years: 3 points per grant • Less than 2 years: 0 points 	60	

(Continue chart for 1.1 on additional pages if needed. Clearly label any additional pages with the question number on it.)

Section 1.1 Table

Grant Name	State Funds (Y/N)	Federal Funds (Y/N)	# of Years Administering	Funding Entity and Purpose of Award

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Grant Name	State Funds (Y/N)	Federal Funds (Y/N)	# of Years Administering	Funding Entity and Purpose of Award

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
1.2	<p>In the table below, list all federal and state funded programs administered in the past 24 months as identified in question 1.1.</p> <p>Only the most recent monitoring report will be considered for point deductions.</p> <p>Provide copies of the most recent monitoring reports for all programs listed, including those programs funded by TDHCA. If the grant has not been monitored, provide information explaining such. Only the most recent monitoring report will be considered for point deductions.</p> <p>Provide follow-up response from funding entity of resolution of monitoring findings. Also explain if follow-up response from funding entity of resolution of monitoring findings has not been released.</p> <p>For ease of review, please number the pages of the documents, even if the numbering is handwritten.</p> <p>Significant findings are those which identify issues including, but not limited to, fraud, waste, abuse, financial irregularity, or significant non-compliance with either federal rules, State regulations/rules including but not limited to OMB Circulars or Uniform Grant Management Standards.</p>	<p>Number of significant monitoring findings and disallowed costs identified in monitoring reviews of federal and state funded programs. For each monitoring report, determine:</p> <ol style="list-style-type: none"> (1) Monitoring report had no significant findings and no disallowed costs: 0 points deduction. (2) Monitoring report had significant findings: -20 points deduction per grant program (3) Applicant shows history of not cooperating with or not submitting documentation upon request with oversight agencies/entities: -25 point deduction per fund source of non-cooperation. (4) Monitoring Report had disallowed costs in excess of \$100 (significance based on other than minor administrative error): -30 points deduction per grant program. <p>Note: If monitoring report is not attached and explanatory information is not provided, 15 points will be deducted per grant. If applicant shows history of non cooperation with monitoring agency/entity, 25 points will be deducted per grant.</p>	(points to be deducted based on review)	

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section 1.2 (Instruction: Please provide copies of the most recent monitoring reports. If the grant has not been monitored in the past 24 months, provide a document from the funding source to that effect. Scan all monitoring reports into one document and include a cover page labeled as "Documents in response to Question #1.2" and number each page consecutively. The numbering can be hand written at the bottom of each page.)

Name of State or Federal Agency (agency providing funds)	Grant Name	Date of Last Monitoring Review (include TDHCA programs) (MM/DD/YYYY)	Copy of Report attached (Y/N)	Number of Findings	# of Significant Findings	Amount of Disallowed Costs	page #s in the attachment where report is located

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
1.3	<p>Does the applicant have a history in the preceding 24 months of not submitting requested documentation timely (i.e. monthly reports) to the Department?</p> <p><input type="checkbox"/> Yes, list which documents/submissions:</p> <div style="border: 1px solid black; background-color: #ffff00; width: 200px; height: 30px; margin: 5px 0;"></div> <p><input type="checkbox"/> No</p>	<p>Yes, If Departmental records show late submissions in the preceding 24 months of any requested documentation and/or planning submissions, 15 points will be deducted per late submission.</p> <p>No late submissions = 0 points</p>	Points to be determined	
1.4	<p>Has the applicant been placed on a modified cost reimbursement basis of payment for TDHCA CA funded programs during the past 3 years (a contract sanction whereby reimbursement of costs incurred by a Subrecipient is made only after the Department has reviewed and approved backup documentation provided by the Subrecipient to support such costs)?</p> <p>Response: check yes or no,</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Is the applicant currently on a modified cost reimbursement method of payment for TDHCA funded programs?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p>Applicant’s history of being on a modified cost reimbursement method of payment for TDHCA Community Affairs Division funded programs.</p> <ul style="list-style-type: none"> • Yes, during the past 3 years: -50 point deduction • Yes, currently on modified cost reimbursement: -100 points • No, not during the past 3 years: 0 point deduction 	-100	
1.5	<p>Indicate which of the Financial Accounting Method listed below is used to track grant(s). Check the applicable response:</p> <p><input type="checkbox"/> Computerized Financial Software</p> <p><input type="checkbox"/> Microsoft Excel</p> <p><input type="checkbox"/> Manual ledger</p> <p><input type="checkbox"/> Other. Please explain: </p>	<p>Financial Accounting Method used to account for funds and report to funding sources.</p> <ul style="list-style-type: none"> • Computerized Financial Software: 40 points • Microsoft Excel or manual ledger: -40 points 	-40 up to 40	

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Part 2: Financial Information

Section	Question	Scoring Mechanism	Maximum Point Deduction	Score (TDHCA use only)
2.1	<p>Submit the most recently completed audit in its entirety. Also include management letters and responses to management letters.</p> <p>Findings/Deficiencies, questioned costs, disallowed costs, or deficiencies or concerns identified in the Single Audit or third-party audit.</p> <p>If the audit indicates that the findings/deficiencies, questioned costs, disallowed costs, or deficiencies/ concerns are those raised in the monitoring reports already addressed in Section 1.2, the application will not lose points in both areas for those items. Section 1.2 will be scored first, and any additional point deductions will be applied here.</p>	<p>Three Scoring Areas:</p> <ol style="list-style-type: none"> 1. Audit Findings for current audit period <ol style="list-style-type: none"> a. Audit with no findings: -0 points b. Audit with some findings/deficiencies (not significant): -15 points per finding c. Audit with significant findings/deficiencies (Note that significant findings/deficiencies can deem an application ineligible: -100 points) 2. Disallowed Costs for current audit period <ol style="list-style-type: none"> a. No disallowed costs: 0 points b. Questioned costs: -25 points c. Disallowed costs (significance based on other than minor administrative error): -50 points if disallowed costs are 5% or more of the related grant award. If below 5% of the related grant award, deduct -15 points. 3. Deficiencies or Concerns for current audit period <ol style="list-style-type: none"> a. No deficiencies or concerns: 0 points b. Deficiencies or Concerns: -20 points 4. No Audit: -170 points 	-170	

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum Point Deduction	Score (TDHCA use only)
2.2	<p>Submit Financial Statements as of the end of the organization’s most recent fiscal year. Amount of CSBG-D funds requested: Response: </p> <p>What is applicant's agency’s total current fiscal year budget? Response: </p> <p>Response: Ratio = (Funds requested/Current Budget)</p>	<p>CSBG-D to Budget Ratio:</p> <ul style="list-style-type: none"> • CSBG-D funds make up <20% of current budget → -0 pts • CSBG-D funds make up 20-30% of current budget: → -15 pts • CSBG-D funds make up 31-40% of current budget → -30 pts • • CSBG-D funds make up 41% + of current budget → -50 pts 	<p>-50 up to 0 points</p>	

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Part 3: Efficiency

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
3.1	<p>In the table below, provide information on the costs that are proposed to be charged to the CSBG-D grant.</p> <p>Administrative costs include those expenses related to management staff such as the executive director, accounting staff, human resource staff, administrative personnel, and overhead costs related to same staff.</p> <p>Programmatic costs relate to staff costs of who provide direct client services and carry out duties such as intake, client interview, casework, case management, referrals, and follow-up. It also includes the overhead costs related to these direct client program staff.</p> <p>Note the budget form (Attachment J) has the overhead costs on Budget Support Sheet B.5. In the table below, break out the part of the Overhead Costs that are administrative and programmatic.</p> <p>Direct service costs relate to costs for direct services to clients such as tuition assistance.</p>	<p>Percentage of CSBG costs budgeted for programmatic costs plus direct client assistance costs (which can include caseworkers salary and fringe):</p> <p>81-100%: 100 points 71-80%: 90 points 61-70%: 80 points 51-60%: 70 points 41-50%: 60 points 31-40%: 50 points 21-30%: 40 points 11-20%: 30 points Less than 11%: 0 points</p>	100	

Section 3.1 - Table

Proposed CSBG Budget	Format for Answer	Answer
a. Administrative costs, including salaries and fringe and overhead related to administrative staff (for example Ex Dir, CFO, admin staff)	Dollar figure	
b. Programmatic costs, including salaries and fringe and overhead related to program staff (for example program directors, case workers, homeless service liaison)	Dollar figure	
c. Direct client assistance costs for client assistance (i.e. rent, food, education assistance, tuition) <i>NOTE: From Budget Support Sheet B6.</i> Indirect costs (for applicants with an approved Indirect Costs Rate Plan)	Dollar figure	
d. Indirect costs (for applicants with an approved Indirect Costs Rate Plan)	Dollar figure	
e. Total CSBG budget requested	Dollar figure a+b+c+d	
f. Percentage of CSBG costs budgeted for programmatic costs and direct client assistance costs	Percentage (b+c)/e	

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum points	Score (TDHCA use only)
3.2	<p>In the table below, indicate how your organization will implement the initiative and evaluate progress on accomplishing what is proposed in the CSBG Discretionary NOFA Application.</p> <p>Refer to responses to questions 5.1-5.3 and 5.6.</p>	<p>Evaluation of Programs: Review plan to evaluate project and award points as follows:</p> <p>Evaluation plan should include, but not be limited to, identification of the tasks, steps to accomplish tasks, evaluation, frequency of evaluation, and a timeline.</p> <ul style="list-style-type: none"> • Award up to 10 points if the tasks clearly set forth activities that will lead to accomplish what is proposed in the application. • Award up to 10 points if the steps to be taken to achieve the tasks are clearly delineated . • Award up to 10 points if the process used to evaluate the initiative is comprehensive. • Award up to 5 points if frequency for when evaluation will occur is reasonable for the tasks. • Award up to 10 points for the timeline. If timeline was not comprehensive or the time allotted to achieve results may be insufficient, award 0 points. Consider if each major and smaller tasks were identified in the timeline and if the time allotted appears reasonable. 	45	

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section 3.2 Evaluation Process - Itemize each task, enter major task or minor task, describe the task, identify the steps to accomplish the task, briefly describe process to evaluate the task, frequency of evaluation, and a timeline. Enter one row per task. *Note:* Applicants may attach a separate document with additional details related to the processes to be utilized to evaluate the task; however, identify the question # and task #.

Section 3.2

Task #	Major or Minor Task	Task Description	Steps to Accomplish Task	Brief Description of Evaluation Processes for Task	Frequency for evaluation to occur	Timeline for Task (month/year)

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Part 4: Experience

Note: all activities must be targeted to Native Americans and/or migrant seasonal farm workers. **Refer to page 5 of NOFA for a detailed description of the project to be funded.**

Indicate the target population to be served:

- Native American or Migrant Seasonal Farm Workers

Note: Applicant can only propose to serve one of the target populations per application. If Applicant wishes to serve both, a separate application must be submitted.

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
4.1	<p>a. Provide a description of the education of the executive director, program/project director, and case worker that will be administering the proposed project.</p> <p>b. Provide a description of the relevant experience of the executive director, program/ project director, and case worker that will be administering the proposed project.</p> <p>c. Provide information on the facility(ies) and staffing (location staffing) to be used for the proposed project.</p>	<p>Education and experience of key staff. In assigning points, reviewer will consider the depth to which items are described:</p> <p>a. <u>Education:</u></p> <ul style="list-style-type: none"> a. 6 points for each key staff person that has a bachelor’s or master’s degree; b. 8 points for each key staff person that has a doctorate’s degree. <p>Maximum of 24 points may be awarded per key staff person for part a.</p> <p>b. <u>Experience:</u></p> <ul style="list-style-type: none"> • 4 points for 1 year • 8 points for 2-4 years, • 10 points for 5-7 years • 12 points for 8+ years. <p>Maximum of 36 points may be awarded for part b.</p> <p>c. Facilities and staffing. Award 10 points per facility, maximum of 20 points may be awarded for part c.</p>	80	
a. Description of the education of the executive director, program/project director and case worker:				
b. Description of the relevant experience of the executive director, program/project director and case worker:				
c. Information on the facility and staffing to be used:				

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
4.2	Provide the following information.	In assigning points, reviewer will consider population targeted by applicant and services offered: <ul style="list-style-type: none"> a. Yes = 40 points No = 0 points b. For those primarily serving the target populations, description of services provided. Maximum of 10 points for comprehensive relevant services. c. What population is targeted if neither Native American nor Migrant Seasonal Farm Worker population is targeted? 	50	
a. Does your organization primarily target the Native American or Migrant Seasonal Farm worker population? Answer Yes or No				
b. If yes, organization targets Native American or Migrant Seasonal Farm worker populations, describe below the types of services provided.				
c. If no, the organization does not target Native American or Migrant Seasonal Farm worker, describe what population(s) is targeted? Describe below, what types of services does your organization provide?				
4.3	Provide the following information: <ul style="list-style-type: none"> a. Unmet need in service area b. Demographic data c. Performance data 	In assigning points, reviewer will consider whether the applicant provided information that demonstrates: <ul style="list-style-type: none"> a. Clear need for the proposed services: 20 point maximum. If the need for the proposed services not sufficiently demonstrated: 0 points b. Demographic data was sufficient to demonstrate need: 10 point maximum. Level of unmet need not sufficiently demonstrated: 0 points c. Performance data was sufficient to demonstrate need: maximum 10 points. Not adequately described, 0 points. 	40	
a. Provide a description of the unmet need in the service area for the type of project and services that are proposed:				
b. Demographic data related to targeted population from sources such as US Census Data or local government data.				
c. Provide performance data related to the number of persons served and the education and or employment services provided during the prior 12 months.				

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
4.4	Provide the following information:	In assigning points, reviewer will consider the depth to which the nature of the experience is described: <ol style="list-style-type: none"> a. A maximum of 10 points will be provided, based on the depth of employment skills or employment related assistance experience. b. A maximum of 10 points may be awarded, with 4 points for 2 years of experience, 8 points for 3-4 years, 10 points for 5+ years of providing direct employment skills or employment related assistance. c. Population served includes Native American and/or Migrant/Seasonal Farm worker: Yes = 10 points. No = 0 points. d. Provide points for the number of unduplicated persons served with employment skills or employment related assistance in the previous 12 months that were Native American or Migrant Seasonal Farm worker: 5-15 persons award 5 points; 16-29 persons award 10 points; 30-45 persons award 20 points 46-55 persons award 30 points 56+ persons award 40 points 	70	
a. Provide a description of relevant experience providing direct assistance to assist persons to gain <u>employment skills or employment related assistance</u> to improve their employability or increase wages (number of years, types of services, etc.).				
b. Provide information on the number of years of relevant experience providing direct employment skills or employment related assistance.				
c. Indicate if the population served with the employment assistance during the past 12 months was Native American or Migrant Seasonal Farm worker.				
d. Provide information (# of persons) on how many Native American or Migrant Seasonal Farm workers were served by the applicant in the previous 12 months with employment skills or employment related assistance. Specify time period.				

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
4.5	Provide the following information:	<p>In assigning points, reviewer will consider the depth to which the nature of the experience is described:</p> <p>a. A maximum of 10 points will be provided, based on the depth of education related assistance experience.</p> <p>b. A maximum of 10 points may be awarded, with 4 points for 2 years of experience, 8 points for 3-4 years, 10 points for 5+ years of providing direct education related assistance.</p> <p>c. Population served includes Native American or Migrant Seasonal Farm worker: Yes = 10 points. No = 0 points.</p> <p>d. Provide points for the number of unduplicated persons served with education related assistance in the previous 12 months that were Native American or Migrant Seasonal Farm workers: 5-15 persons award 5 points; 16-29 persons award 10 points; 30-45 persons award 20 points 46-55 persons award 30 points 56+ persons award 40 points</p>	70	
		a. Provide a description of relevant experience providing direct assistance to assist persons to increase their <u>education</u> aimed at improving their employability or increasing their wages (number of years, types of services, etc.).		
		b. Provide information on the number of years of relevant experience providing direct education related assistance.		
		c. Indicate if the population served with the education related assistance during the past 12 months was Native American or Migrant Seasonal Farm worker. Yes or No.		
		d. Provide information (# of persons) on how many MSFWs or Native Americans were served by the applicant in the previous 12 months with education related assistance. Specify time period.		

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Part 5: Proposed Employment and Education Services and Activities

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
5.1	Employment Initiative: Provide a performance statement that includes targets for the number of persons that you anticipate will achieve the stated goal or receive the stated service as a result of assistance provided through the proposed initiative:	Award points as follows: 5-15 persons award 15 points; 16-29 persons award 30 points; 30-45 persons award 40 points 46-55 persons award 50 points 56+ persons award 55 points	220	
Employment Initiative				Target
a. Number of persons that will gain employment.				
b. Number of persons that will obtain an increase in wages and or benefits				
c. Number of persons that will obtain skills (not related to job search, but actual work skills) to obtain employment or to obtain an increase in employment (a better job, better wages, etc.)				
d. Number of persons to be provided job readiness assistance (such as job search, resume writing, interview skills, job performance pointers, etc.)				
5.2	Education Initiative: Provide a performance statement that includes targets for the number of unduplicated persons that you anticipate will achieve the stated goal or receive the stated service as a result of assistance provided through the proposed initiative. (An individual can be counted as an unduplicated person receiving a service only once in each activity during the contract period (only count the primary recipient of the assistance and not the entire household).	Award points as follows: 5-15 persons award 15 points; 16-29 persons award 30 points; 30-45 persons award 40 points 46-55 persons award 50 points 56+ persons award 55 points	330	
Education Initiative				Target
a. Number of persons that will enroll in post-secondary education (trade school, community college, or university).				
b. Number of persons that will gain skills/competencies required for employment through job training.				
c. Number of persons that will gain competencies required for employment by enrolling in and attending Adult Basic Education or GED classes				
d. Number of persons that will gain competencies required for employment by completing Adult Basic Education or GED curriculum				
e. Number of persons that will obtain a certification				
f. Number of persons that will obtain a degree (associate’s or bachelor’s degree)				

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
5.3	Unduplicated Persons: Provide a performance statement that includes targets for the number of unduplicated persons that you anticipate will receive the following types of assistance through the proposed education and employment initiative. (An individual can be counted as an unduplicated person receiving a service only once in each activity during the contract period (only count the primary recipient of the assistance and not the entire household))	Award points as follows: 5-15 persons award 5 points; 16-29 persons award 10 points; 30-45 persons award 15 points 46-55 persons award 20 points 56+ persons award 25 points	100	
Unduplicated Persons				Target
	a. Number of persons receiving case management			
	b. Number of persons receiving assistance, either funded with the grant or other funding source, for rent, food, utilities, child care, or transportation			
	c. Number of persons receiving assistance with tools, uniforms, clothes, equipment, books and supplies which enable them to obtain or retain a job or complete their education goals			
	d. Number of persons that receive Financial Literacy Education or Counseling			
5.4	Provide the following information in the yellow-highlighted area below:. The budget figures should coincide with the budget.	Award points as follows: a. Applicant provided clear information on the amount of the budget dedicated to direct staff costs and their overhead costs related to employment assistance and the amount for direct client assistance related to employment assistance. Compare to amounts in budget. If information was not clear and did not match the budget, deduct -10 points. b. Percentage of budget dedicated to direct staff costs and their overhead costs related to employment assistance: 5-15% of the total budget = 15 points 15-25% of the total budget = 30 points 26+% of the total budget = 45 points c. Percentage of budget dedicated to direct client assistance related to employment assistance: 5-15% of the total budget = 15 points 15-25% of the total budget = 30 points 26+% of the total budget = 45 points	90	

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
Description				Percent
	a. Provide information on the total funds and percentage of funds budgeted for employment related costs (do not include staff or overhead costs of administrative staff, only include program staff providing employment related services), include in the total direct staff costs and their overhead costs for employment assistance and direct client assistance for employment			
	Total Funds for Direct Staff Costs	Percentage of Funds for Direct Staff Costs	Overhead Costs for Employment Assistance	
	b. Of the amounts indicated for a. show the amount and percentage budgeted for direct staff costs and their overhead costs related to employment assistance (do not include staff or overhead costs of administrative staff, only include program staff providing employment related services)			
	c. Of the amounts indicated for a. show the amount and percentage budgeted for direct client assistance related to employment.			
5.5	Provide the following information. The budget figures should coincide with the budget.	a. Applicant provided clear information on the amount of the budget dedicated to direct staff costs and their overhead costs related to education assistance and the amount for direct client assistance related to education assistance. Compare to amounts in budget. If information was not clear and did not match the budget, deduct -10 points. b. Percentage of budget dedicated to direct staff costs and their overhead costs related to education assistance: 5-15% of the total budget = 15 points 15-25% of the total budget = 30 points 26+% of the total budget = 45 points c. Percentage of budget dedicated to direct client assistance related to education assistance: 5-15% of the total budget = 15 points 15-25% of the total budget = 30 points 26+% of the total budget = 45 points	90	
Description				Percent
	a. Provide information on the total funds and percentage of funds budgeted for education related costs (do not include staff or overhead costs of administrative staff, only include program staff providing education related services), include in the total direct staff costs and their overhead costs for education assistance and direct client assistance for employment.			
	Total Funds for Education Costs	Percentage of Funds for Education Costs	Total Funds for Direct Services	Overhead Costs for Education Assistance
				Direct Client Assistance for Employment

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum Points	Score (TDHCA use only)
	b. Of the amounts indicated for a. show the amount and percentage budgeted for direct staff costs and their overhead costs related to education assistance (do not include staff or overhead costs of administrative staff, only include program staff providing education related services)			
	c. Of the amounts indicated for a. show the amount and percentage budgeted for direct client assistance related to education.			
5.6	Provide the following information in the yellow-highlighted area below: Describe the current coordination and outreach efforts and describe how your organization will coordinate the proposed project with other service providers in the service area to meet the varied needs that will enable client to obtain further their education or obtain employment or increase wages.	In assigning points, reviewer will consider the depth to which items are described: Applicant provided information that demonstrates: a. Clear coordination and outreach efforts: 10 point maximum b. Variety of client needs addressed through coordination efforts: 10 point maximum c. Coordination efforts were not sufficiently demonstrated: 0 points	20	

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Part 6 Prior Performance

Section	Question	Scoring Mechanism	Maximum points	Score (TDHCA use only)
6.1	Provide the following information related to the submission of your organization’s expenditures of CSBG Discretionary funds during the past 3 years. Complete the table below for the past 3 years of TDHCA CSBG Discretionary funding. If no funding was received, leave blank.	Prior Performance - Expenditures <ul style="list-style-type: none"> • 100% of funds expended, 0 point deduction • 90-99% of funds expended, deduct 6 points for each year • 80-89% expended, deduct 8 points for each year where less than 80-89% of funds were expended • 70-79% expended, deduct 10 points for each year where less than 70-79% of funds were expended • 60-69% expended, deduct 15 points for each year where less than 60-69% of funds were expended • 40-59% expended, deduct 20 points for each year where less than 40-49% of funds were expended • Less than 40% expended, deduct 30 points for each year where less 40% of funds were expended Note: The Department will verify expenditures from our records.	(points to be deducted based on review)	

Year	Contract Period	CSBG Discretionary Award Amount	Final Expenditure Amount	% of Funds Expended

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum points	Score (TDHCA use only)
6.2	<p>Provide the following information related to the submission of your organization’s single audit. Complete the table below for the past 3 years if TDHCA CSBG Discretionary funding was received. If no funding was received, leave blank.</p> <p>The single audit is due within 9 months of the organization’s Fiscal Year End date or within 30 of the completion of the Audit, which ever date is sooner.</p>	<p>Prior Performance – Single Audit Submission</p> <ul style="list-style-type: none"> • Deduct 10 points for each year that the single audit was submitted past the due date. 	(points to be deducted based on review)	

Section 6.2 Table

Year	Contract Period	Organization’s Fiscal Year End (month/date/year)	Date Single Audit Was Due	Date Submitted to TDHCA

Section	Question	Scoring Mechanism	Maximum points	Score (TDHCA use only)
6.3	<p>Provide the following information related to the submission of final expenditure reports. Complete the table below for the past 3 years if TDHCA CSBG Discretionary funding was received. If no funding was received, leave blank.</p>	<p>Prior Performance – Final Report</p> <ul style="list-style-type: none"> • Deduct 2 points for each year that the final expenditure report was submitted past the due date. 	(points to be deducted based on review)	

Section 6.3 Table

Year	Contract Period	Date Final Report was Submitted to TDHCA (due 45 days after the end of the contract)

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Section	Question	Scoring Mechanism	Maximum points	Score (TDHCA use only)
6.4	<p>Complete the table below. Provide the requested information for the most recently completed TDHCA contract. If the contract was a discretionary contract, report on this activity. If the applicant received a CSBG allocation, provide performance for performance statements that had targets and for number of persons transitioned out of poverty.</p>	<p>Prior Performance Persons Served</p> <ul style="list-style-type: none"> Deduct -5 points for every performance statement target that was not met. Deductions will not be taken for exceeding the target. <p><i>Note: The Department will verify performance from our records.</i></p>	(points to be deducted based on review)	

Section 6.4 Table

Contract Period Dates	Performance Statement #	Performance Statement description (per TDHCA contract) <small>Note: include all performance statements in the contract.</small>	Number to Be Served	Performance Reported in Final Performance Report to TDHCA	% of Target Achieved

Attachment B: Application Questions & Scoring Criteria

Applicant Name:

Checklist of Requested Application Question Attachments

✓	Question	Attachment Item Required
	1.2	Most recent monitoring reports for all grants identified in 1.1
	2.1	Applicant agency’s latest Audit Report
	2.2	Applicant agency’s End-of-Year Financial Statements
	4.1	Education and Experience of Key Staff
	4.2	Services provided to Targeted Population (if applicable)
	4.3	Unmet need description and Performance Data
	4.4	Employment Relevant Experience and numbers served
	4.5	Education relevant experience and numbers served
	5.1	Employment related performance statement goals
	5.2	Education related performance statement goals
	5.3	Case management related performance statement goals
	5.4	Employment related budget information
	5.5	Education related budget information
	5.6	Coordination and outreach efforts

Application Question Sections

Scoring Section	Maximum Points	Points Received
Part 1: Organization Capacity	100	
Part 2: Financial Information	Deductions only.	
Part 3: Efficiency	145	
Part 4: Experience	310	
Part 5: Proposed Employment & Education Initiative	850	
Part 6: Prior Performance	Deductions only.	
Total Maximum Points Parts 1-5	1405	

Deductions	Maximum Points	Points Deducted
Part 1: Organization Capacity	Question 1.2 Deductions to be determined Question 1.3 Deductions to be determined Question 1.4 Up to -100 point deduction Question 1.5 -40 point deduction	
Part 2: Financial Information	Question 2.1 Up to -170 point deduction Question 2.2 Up to -50 point deduction	
Part 5: Proposed Employment & Education Initiative	Question 5.4 -10 point deduction Question 5.5 -10 point deduction	
Part 6: Prior Performance	Question 6.1 Deductions to be determined Question 6.2 Deductions to be determined Question 6.3 Deductions to be determined Question 6.4 Deductions to be determined	

FINAL SCORE (minimum score = 800)	
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****TDHCA reserves the right to reject funding for applications that do not exceed 800 points. ****

*****TDHCA reserves the right to request further information related to the application for clarification purposes during the scoring review period.*****

1k

BOARD ACTION REQUEST

COMMUNITY AFFAIRS

FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action on Approval of the Draft Federal Fiscal Year (“FFY”) 2017 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”) 2017 Department of Energy Weatherization Assistance Program (“DOE WAP”) funds in the estimated amount of \$5,165,132;

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 2017 DOE WAP State Plan is proposed for public comment;

NOW, therefore, it is hereby

RESOLVED, that the Draft FFY 2017 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 27, 2017.

BACKGROUND

The Department anticipates receiving notice of an estimated award of \$5,165,132 for the 2017 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 2017 funds are greater or less than the amount in the draft plan, the proposed activities and subrecipient awards will be proportionally adjusted.

The draft plan will be posted on the Community Affairs Division's website on March 10, 2017. 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 10, 2017. The Department will conduct a public hearing for the draft plan on March 22, 2017, 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 24, 2017, after the Public Hearing and after general public comment has been received.

The full text of the 2017 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 2017 Draft DOE State Plan by contacting Laura Saintey at laura.saintey@tdhca.state.tx.us or by phone at (512) 475-3854.

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> 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: 07/01/2017		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					

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-0002017

Title:

2017 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: 07/01/2017 b. End Date: 06/30/2018

18. Estimated Funding (\$):

a. Federal	5,165,132.00
b. Applicant	0.00
c. State	0.00
d. Local	0.00
e. Other	0.00
f. Program Income	0.00
g. TOTAL	5,165,132.00

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.
- 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:

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 07/01/2017	5. Completion Date 06/30/2018

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. 2017 WAP Formula Funds	81.042	\$ 0.00		\$ 5,165,132.00		\$ 5,165,132.00
2. STATE			\$ 0.00		\$ 0.00	\$ 0.00
3.						
4.						
5. TOTAL		\$ 0.00	\$ 0.00	\$ 5,165,132.00	\$ 0.00	\$ 5,165,132.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) GRANTEE ADMINISTR ATION	(2) SUBGRANTE E ADMINISTR	(3) GRANTEE T&TA	(4) SUBGRANT EE T&TA	
a. Personnel	\$ 148,906.00	\$ 0.00	\$ 158,343.00	\$ 0.00	\$ 307,249.00
b. 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	\$ 351,112.00	\$ 22,030.00	\$ 506,546.00	\$ 4,607,966.00
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other	\$ 4,008.00	\$ 0.00	\$ 950.00	\$ 0.00	\$ 4,958.00
i. Total Direct Charges	\$ 192,141.00	\$ 351,112.00	\$ 250,633.00	\$ 506,546.00	\$ 5,028,710.00
j. Indirect	\$ 66,114.00	\$ 0.00	\$ 70,304.00	\$ 0.00	\$ 136,418.00
k. Totals	\$ 258,255.00	\$ 351,112.00	\$ 320,937.00	\$ 506,546.00	\$ 5,165,128.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

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 07/01/2017		
	5. Completion Date 06/30/2018		

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		\$ 0.00	\$ 0.00	\$ 5,165,132.00	\$ 0.00	\$ 5,165,132.00

SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	Grant Program, Function or Activity				Total (5)	
	(1) PROGRAM OPERATION S	(2) HEALTH AND SAFETY	(3) LIABILITY INSURANCE	(4) FINANCIAL AUDITS		
a. Personnel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 307,249.00	
b. 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	\$ 2,872,062.00	\$ 718,015.00	\$ 120,601.00	\$ 17,600.00	\$ 4,607,966.00	
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
h. Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 4,958.00	
i. Total Direct Charges	\$ 2,872,062.00	\$ 718,015.00	\$ 120,601.00	\$ 17,600.00	\$ 5,028,710.00	
j. Indirect	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 136,418.00	
k. Totals	\$ 2,872,062.00	\$ 718,015.00	\$ 120,601.00	\$ 17,600.00	\$ 5,165,128.00	
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: 2017)

IV.1 Subgrantees

Subgrantee (City)	Planned Funds/Units
Alamo Area Council of Governments (San Antonio)	\$363,051.00 35
Big Bend Community Action Committee (Marfa)	\$77,788.00 5
Brazos Valley Community Action Agency (College Station)	\$156,917.00 13
Combined Community Action, Inc. (Giddings)	\$109,521.00 8
Community Action Committee of Victoria Texas (Victoria)	\$143,789.00 12
Community Action Corporation of South Texas (Alice)	\$487,365.00 48
Community Council of South Central Texas, Inc (Seguin)	\$101,927.00 8
Concho Valley Community Action Agency (San Angelo)	\$94,467.00 7
Dallas County Health & Human Services (Dallas)	\$350,500.00 34
Economic Opportunities Advancement Corporation (Waco)	\$136,587.00 11
El Paso Community Action Program, Project Bravo (El Paso)	\$208,041.00 18
Fort Worth, City of (Fort Worth)	\$222,181.00 19
Greater East Texas Community Action Program (Nacogdoches)	\$404,667.00 39
Hill Country Community Action Association, Inc. (San Saba)	\$130,960.00 10
Neighborhood Centers Inc. (Houston)	\$544,053.00 54
Nueces County Community Action Agency (Corpus Christi)	\$86,730.00 6
Panhandle Community Services (Amarillo)	\$133,038.00 11
Rolling Plains Management Corporation (Crowell)	\$196,618.00 17
South Plains Community Action Association, Inc. (Levelland)	\$122,435.00 10
Texoma Council of Governments (Sherman)	\$238,848.00 21
Travis County Health and Human Services and Veterans Services (Austin)	\$144,630.00 12
West Texas Opportunities (Lamesa)	\$131,827.00 10
Total:	\$4,585,940.00 408

**U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET**

(Grant Number: EE0007952, State: TX, Program Year: 2017)

IV.2 WAP Production Schedule

Weatherization Plans	Units
Total Units (excluding reweatherized)	408
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	408
C	Total Units Reweatherized	00
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	408
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	\$2,872,062.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	408
H	Average Program Operations Costs per Unit (F divided by G)	\$7,039.37
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$0.00
J	Total Average Cost per Dwelling (H plus I)	\$7,039.37

IV.3 Energy Savings

Method used to calculate savings: <input checked="" type="checkbox"/> WAP algorithm <input type="checkbox"/> Other (describe below)			
	Units	Savings Calculator (MBtus)	Energy Savings
This Year Estimate	408	29.3	11954
Prior Year Estimate	0	29.3	0
Prior Year Actual	0	29.3	0

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 commission 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@craction.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
	Type of organization: Indian Tribe

**U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET**

(Grant Number: EE0007952, State: TX, Program Year: 2017)

Ysleta del Sur Pueblo Housing Department	Contact Name: Al Joseph Phone: 9158599196 Email: ajoseph@ydsp-nsn.gov
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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
03/22/2017	Public Hearing for the 2017 DOE Plan will began at 3:00 pm. Public comment period will end 03/24/2017.
03/01/2017	Announcement of Public Hearing sent for publication 3/10/2017 in the Texas Register.
03/24/2017	WAPAC meeting will be held.
03/01/2017	Draft plan and Notice of Public Hearing posted on the Department's website; public listserv announcement sent announcing availability of plan and public hearing details.
02/28/2017	The TDHCA Board of Directors authorized release of the 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 Association. The low-income persons with disabilities population is represented by the PAC member from the Health and Human Services Commission. The low-income Native American population is represented by the PAC member from the Ysleta del Sur Pueblo Housing Department.

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 pollution occurrence. 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: 2017)

This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

V.1 Eligibility

V.1.1 Approach to Determining Client Eligibility

Provide a description of the definition of income used to determine eligibility

Categorical Eligible/Eligibility: Households determined to be income eligible because at least one member receives: (A) SSI payments from the Social Security Administration; or (B) Means Tested Veterans Program payments. (4) Child--Household member not exceeding eighteen (18) years of age.

Describe what household Eligibility basis will be used in the Program

Subgrantees shall follow the Department's Texas Administrative Code rules, Title 10, Part 1, Chapters 1 and 2 and 6, when considering eligibility and income determination criteria. The Department will ensure that its Subgrantees have determined eligibility criteria based upon:

Defined terms as detailed in 10 TAC §6.403; and

Income eligibility guidelines as detailed in 10 TAC §6.4, as amended to comply with WPN 16-3 other further guidance.

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. The primary 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 DOE and LIHEAP WAP are in compliance with **LIHEAP-IM-99-10 issued June 15, 1999 states that weatherization in multifamily building is nota cover activity for status verification.**

V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2017)

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 Reweathering 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.

Units weatherized prior to September 1, 1994 are considered non-weatherized units. 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 structure containing no more than one Dwelling Unit.

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 10-15 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 11-09 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

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WEATHERIZATION ASSISTANCE PROGRAM (WAP)
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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 should 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. Eight of the PY2016 awards were approved by the Department's Board subject to conditions requiring resolution.

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. 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.

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.

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2017)

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. 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 (601+) per county;
- (3) Median income variance per county;
- (4) Inverse poverty household density ratio per county; and
- (5) Heating/Cooling Degree days per county.

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 contract in a timely manner may also result in the Subgrantee's ineligibility to receive additional funding during the program year.

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 tool 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 30	R30
Windows	U 0.65	U 0.50
Walls	R-13	R-13
Floors	R – 13	R 13
SHGC	0.30	0.30

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.

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IRC Prescriptive Thermal Envelope Measures:

Zone 3A and 3B	
Ceiling	R30
Windows	U0.50
Walls	R13
Floors	R 13
SHGC	.030

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	R30
Windows	U 0.50
Walls	R13
Floors	R 13
SHGC	.030

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	R38
Windows	U 0.35
Walls	R13
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 12.21.15
- [DOE-WAP Timeline \(PDF\)](#) Revised 10.30.15
- [LIHEAP-WAP Timeline \(PDF\)](#) Revised 10.30.15

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- [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 \(\[energycode.pnl.gov\]\(http://energycode.pnl.gov\)\)](#)
- [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 will include the following 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.

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B. All weatherization measures installed shall meet or exceed the standards prescribed by DOE in Weatherization Program Notice (WPN) 154 regarding Standard Work Specifications, as detailed in the Department's Materials Installation Standards Manual.

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).

Subrecipient 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 2016

Manufactured Housing : MHEA: DOE Approved 2016

Multi-Family : NEAT: 5-24 individually heated and cooled units - DOE Approved 2016

Comments

During PY 2016, TDHCA requested DOE approval of Texas WAP energy audit procedures for site built and manufactured homes and for small multifamily buildings using Weatherization Assistant (NEAT for single-family and certain small multifamily buildings, and MHEA for manufactured homes). TDHCA also requested approval of LED lighting, which is not listed in 10 CFR 440 Appendix A.

TDHCA's submittal was reviewed in accordance with Weatherization Program Notice (WPN) 13-5 and was found to comply with §440.21 of the final rule, and also specifically with §440.21(b) of the final rule, which allows unlisted (non-Appendix A) materials upon application from any State and approval by DOE.

Based on review of the submitted material, Texas's single-family, manufactured home and small multifamily building energy audit procedures are conditionally approved by DOE as follows:

- The Weatherization Assistant (NEAT for site built homes and Small Multifamily [5-24 individually heated and cooled units] Buildings and MHEA for Manufactured Homes) is the conditionally approved energy audit. Full DOE approval will be granted upon TDHCA providing further training and technical assistance to its WAP Subgrantee agencies in the following areas, as detailed in the email dated 5/20/16 from Glen Salas, Simonson Management Services, to Marco Cruz, TDHCA.
 - HVAC auditing and sizing of replacement units.
 - Air infiltration reduction should be performed without consideration of building tightness limits (BTL) and minimum ventilation rates (MVRs), which are no longer applicable with ASHRAE 62.2 compliance.
 - Correctly modeling small multifamily buildings in NEAT.
 - Correctly evaluating and adding insulation as appropriate in manufactured homes.
- TX is approved to implement LEDs as energy conservation measures.

V.5.3 Final Inspection

V.5.3 Final Inspections

The Department has provided the Subgrantee 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.

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The Department has four certified QCI staff, who maintain their certifications. The Department annually requires all Subgrantee's 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 Subrecipient 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) = Other, so please explain (typically 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.

Five Subgrantee's have multiple QCI Staff with separation of duties, fifteen have limited QCI, and two 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 Subgrantee Monitoring section, the section of the Compliance Division that monitors the WAP, submits information regarding its monitoring activity to the EARAC for review. If EARAC finds that a Subgrantee has outstanding issues related to any of the criterion listed above that the Subgrantee's review may not be approved by EARAC, or may be approved with conditions that will be written into the Subgrantee's WAP contract.

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.

On a more direct level, the T&TA staff meets with monitoring staff every other week in order to keep an updated evaluation of each Subgrantee. In those meetings, monitoring staff relay issues they find related to individual Subgrantee's as well as overall trends they identify. The T&TA staff applies this information when determining the needs for agency-specific T&TA (for instance, if a Subgrantee has failed inspections) and to plan the curriculum for the 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. Each T&TA staff member reviews the reports submitted by a certain number of Subgrantees 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;

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- 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 four program divisions: HOME and Homeless Program, Single Family Operations, Multifamily Finance Production, Single Family 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, a notice of the state public hearing, and invited 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 services 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 will continue to require WAP Subgrantees to provide client education to each WAP client. Subgrantees will be required to provide (at a minimum) educational materials in verbal and written format.

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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).

- Rosy Falcon – over 6 years of weatherization monitoring; BPI certified; has attended DOE sponsored conferences.
- Chad Turner; over 11 years of weatherization experience as a Texas WAP Subgrantee. QCI certified, RSNET certification, BPI Certified and Lead Certification
- 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)

There is also staff in the T&TA section of the Department that are QCI certified. It is not anticipated, but possible, that some of those staff members could assist with the unit inspections of homes weatherized through funds provided through this State Plan.

The Department will monitor each of the DOE Subgrantees during the contract period which will be July 1, 2017 through June 30, 2018. 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 PY16 DOE Tentative Monitoring Schedule to SF424)

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.

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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 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 typically 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.
- On occasion, while onsite monitors overlook findings that are identified through a management or peer review of the report and working papers. In these instances, Department staff will strive to call the Subgrantee to discuss the matter prior to the report being issued.

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 Clearing House with copies submitted to the Department within nine (9) 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 of 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 to be provided. The entity is provided a time frame to complete the corrective action and to respond to the correspondence. At a maximum, the entity must correct all identified issues within six (6) months of the Single Audit being submitted to the Federal Clearing House.

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 Community Affairs Monitoring Manager 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.

The Texas WAP has a successful and compliant history. However, in the event that TDHCA identifies a Subgrantee with significant and unresolved noncompliance will be referred by the Compliance Division to the Training and Technical Assistance Team. Those Subgrantees will be required to meet assigned milestones. Failure to meet milestones may result in contract sanctions, up to and including administrative penalties, debarment, placement on a modified cost reimbursement method of payment, contract suspension, or contract termination.

1. Program Oriented Management Training – Prior to continuing any weatherization-related program activity, all Subgrantee staff that performs any action

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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 at the end of the program 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

V.8.4 Training and Technical Assistance

The Department provides Subgrantee's 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 will include 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 Subgrantee's 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

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be required to enter into a retention agreement with the Subgrantee.

The Department has four certified QCI staff who monitor and/or train weatherization Subgrantee 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 is 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 2016, the Department provided a Network ASHRAE and HVAC sizing workshop. Following this workshop, a regional series was conducted to provide additional hands-on training covering: final inspections and assessments; with specific detail to diagnostics; CAZ testing, Duct testing, and ASHRAE ventilation requirements. The Department began procurement for a Mobile Home insulation series, and expects this to be completed prior to the 2017 contract start date. In PY2017, the Department continues to focus on JTA aligned training for agency staff and subcontractors, and maintenance or attainment of required certifications.

NOTE: New Mexico Energy Smart Academy recently partnered with a local Subrecipient to provide IREC certified courses in Texas. The first course (MF-QCI) was held the first week of February 2017, in Austin.

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:

- Marco Cruz – 20+ years experience in the WAP. Certified QCI and MF-QCI, LeadSafe Renovator, OSHA30, and attended DOE sponsored conferences.
- 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- 1+ year experience in the WAP and attended DOE sponsored conferences. Scheduled to obtain BPI Building Analyst in April 2017, to be followed by QCI later this year.
- In 2016, compliance certified QCI staff provided one-on-one training to weatherization staff across the Network on proper diagnostics and determinations during final inspections.
 - Chad Turner – 20+ years experience in the construction industry and 12+ years experience as a Texas WAP Subrecipient. Certified QCI, MF-QCI, RESNET certified, BPI Certified and Lead Certification, and attended DOE sponsored conferences.
 - Kevin Glienke- 7+ years in weatherization monitoring and training. BPI certified, QCI, MF-QCI, and attended DOE sponsored conferences.

Training Schedule 2017:

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:

- August 24, 2017
- November 16, 2017
- February 22, 2018
- May 24, 2018

Online trainings opportunities are passed onto the Network via the state association e-newsletter, along with other notifications regarding outside conferences or workshops.

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The Department has established an annual Energy Audit Workshop, scheduled for March of each year. In addition, individualized T&TA will be provided upon Subgrantee request or compliance reports.

The Department proposes a Regional Series, hosted across the state, which will address the top three identified topics. For 2017, the Department has chosen to focus on the following:

- Zonal Pressure Diagnostics (ZPD): maximizing air sealing efforts
- ASHRAE 2016
- Quality Work: In-process inspections and final-inspections
- In addition--Reinforcement of Mobile Home insulation: attic insulation, duct testing/pressure pan diagnostics.

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 Subgrantee's for who financial management control training or technical assistance is needed. Such T&TA may include: a course on production oriented management, proper reporting, procurement, and/or other appropriate topics.

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, Subgrantee's 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 Subgrantee's 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 Subgrantee's 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 Subgrantee's. 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 Subgrantee's 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 Subgrantee's 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

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The Department will continue to require WAP Subgrantees to provide client education to each WAP client. Subgrantee's will be 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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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 United States 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 Subgrantee's, 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 11-6 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.

Texas Administrative Code

- [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) first, 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's 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.
- CO deferral levels for Stoves (200 ppm for oven) that cannot be remedied.

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. Recommended, where possible, to insulate through home interior.

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 to completely avoid disturbing or removing the asbestos siding on the exterior of the home.

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.

OSHA:

- [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 11-6, 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/repared.

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 inspection includes 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.

CO detectors should be installed in all homes when fuel-fired (combustion) appliances exist. This includes: cook stoves, furnaces, water heaters, wood and coal burning stoves. Combustion appliances must be installed to the IRC or local code regulations.

Texas Administrative Code:

- [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 and assessors will identify health and safety hazards according to the OSHA method “Focus Four” which includes, electrical, fall protection, caught in and between, and stuck-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: Important Lead Hazard Information for Families, Child Care Providers, and Schools](#)

Mold and Moisture

Limited water damage repairs can be addressed by weatherization workers and 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 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 Material Safety Data Sheets (MSDS) and take precautions to ensure the health and safety of themselves and other workers. MSDS 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.
 - MSDS 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 Outreach Trainer](#) to find outreach trainers and/or their schedules
- [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 10 CFR 21. 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.

Smoke alarms should not be installed 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.

CO alarms should not be installed 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) than 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) must 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 a cause cannot be determined, calibrate equipment and re-test. If still indeterminable, refer the household to local gas company. Any time replacement is deemed necessary, first consider performing the replacement as an EMC (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 (available online at: <https://www.epa.gov/saferchoice/quick-safety-tips-spray-polyurethane-foam-users>) when working within the conditioned space or when SPF fumes become evident within the conditioned space. 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. MSDS are mandatory for any foam product used and a thorough understanding of the temperature sensitivity of the product in use is required.

Ventilation

ASHRAE 62.2-2016 is required to be met to the fullest extent possible, when performing weatherization activity. Implementing ASHRAE 62.2-2016 is not required where acceptable indoor air quality already exists as defined by ASHRAE 62.2-2016. 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

Subgrantee's 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 \(www.residentialenergydynamics.com\)](http://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 incidental repair or an efficiency measure if cost justified.

Windows may only be performed as an incidental repair or 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](#)

11

BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action on Awards for 2017 Community Services Block Grant Discretionary (“CSBG-D”) Direct Client Assistance Funds

RECOMMENDED ACTION

WHEREAS, Community Services Block Grant (“CSBG”) funds are awarded annually to the Texas Department of Housing and Community Affairs (the “Department”) by the U.S. Department of Health and Human Services (“USHHS”);

WHEREAS, the Department reserves 90% of the allotment for CSBG eligible entities to provide services/assistance to the low-income population in all 254 counties; up to 5% for state administration expenses; and the remaining amount for state discretionary use;

WHEREAS, at the Board meeting of October 13, 2016, the Department established a set aside of \$1,600,000 for CSBG discretionary projects, of which up to \$650,000 was programmed for Direct Client Assistance;

WHEREAS, a Notice of Funding Announcement (“NOFA”) was released on November 2, 2016, for Direct Client Assistance and eligible entities interested in applying completed and returned applications;

WHEREAS, at the Board meeting of January 26, 2017, the Department approved awards totaling \$341,250 to 21 eligible applicants that applied, met the requirements for funding, and received a recommendation for an award from the Executive Award Review Advisory Committee (“EARAC”);

WHEREAS, staff has reviewed and evaluated six additional applications that were timely received under the NOFA for Direct Client Assistance, but inadvertently not included in the award recommendation of January 26, 2017, and recommends Board approval of awards totaling \$97,500 to the six eligible applicants that applied, met the requirements for funding, and have received a recommendation for an award from the Executive Award Review Advisory Committee (“EARAC”); and

WHEREAS, the Executive Award Review Advisory Committee (“EARAC”) met on February 17, 2017, and approved these awards without conditions;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to take any and all such actions as they or any of them may deem necessary or advisable to effectuate the awards, as represented herein, of \$97,500 for direct client assistance.

BACKGROUND

The Department set aside a total of \$650,000 in State CSBG Discretionary funds for Direct Client Assistance as approved at the Board meeting of October 13, 2016, and released a NOFA requesting that interested eligible entities submit a budget and performance statement. Staff reviewed 22 submittals and recommended 21 of the 22 entities be funded for \$16,250 at the Board meeting of January 26, 2017. The six applicants in Attachment A were timely submitted by the applicants, but were inadvertently not included in the action at the Board meeting of January 26, 2017, due to an error with how the submitted applications were electronically classified.

Because the six eligible entities in Attachment A completed and timely returned their application in response to the NOFA released on November 2, 2016, staff recommends the six entities each be awarded \$16,250 for direct client assistance. The entities will have access to the funds upon execution of a contract, limited only to direct client assistance, excluding case management salaries. Examples of how funds may be used include assisting eligible clients with obtaining job associated uniforms and training; assisting eligible clients with direct educational expenses (*e.g.*, tuition, textbooks, etc.); assisting clients with the cost of transportation to and from work and other necessary functions; and assisting eligible clients in the cost of certain health care needs. Based on the previous participation review, discussed below, EARAC recommended that the six applicants be awarded without conditions.

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter C, §1.302) includes a review of CSBG-D awards prior to contract execution. These discretionary awards are subject to this review. The review has been performed and on February 17, 2017, EARAC recommended awards for all of these entities without conditions. All six applicants and their funding recommendation amounts are identified in the following table.

Funding Recommendations for Program Year 2017 Community Services Block Grant Discretionary Funds for CSBG Network Direct Client Assistance

#	CSBG Eligible Entity	Award Recommendation
1	Brazos Valley Community Action Programs	\$16,250
2	El Paso Community Action Program, Project BRAVO, Inc.	\$16,250
3	Greater East Texas Community Action Program	\$16,250
4	Gulf Coast Community Services Association	\$16,250
5	Hill Country Community Action Association, Inc.	\$16,250
6	Nueces County Community Action Agency	\$16,250
	TOTAL	\$97,500

Note: In the event that any of these funds remain uncommitted, the Department will reprogram the funds among the eligible categories previously approved by the Board.

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BOARD ACTION REQUEST
HOME AND HOMELESS PROGRAMS DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action on State Fiscal Year 2016 Homeless Housing and Services Program Award for the City of Houston

RECOMMENDED ACTION

WHEREAS, the Homeless Housing and Services Program (“HHSP”) was created during the 81st Legislative Session to be administered by the Texas Department of Housing and Community Affairs (the “Department”) to fund homelessness prevention and homeless services in the eight largest Texas cities;

WHEREAS, the allocation formula for HHSP set forth in 10 Texas Administrative Code (“TAC”) Chapter 7, Subchapter B, §7.1002 and previously found under 10 TAC Chapter 5, Subchapter J, §5.1004, provided that the City of Houston would be allocated \$1,320,400 in State Fiscal Year (“SFY”) 2016 HHSP funding;

WHEREAS, the City of Houston submitted their final expenditure report for the SFY 2016 contract on December 15, 2016, the City did not provide support to draw down all funds for that contract, and \$286,002.25 remains to be expended;

WHEREAS, under 10 TAC Chapter 7, Subchapter A, §7.4, the SFY 2016 contract cannot be extended to cover expenses incurred prior to the end date because it has expired; and

WHEREAS, the two year statutory authority for the Department’s distribution of funds allocated to the City of Houston has not expired and these funds can be made available to the City of Houston under a new contract award;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to take any and all such actions as they or any of them may deem necessary or advisable to effectuate the issuance of a contract for the remaining \$286,002.25 to the City of Houston subject to completion of application review requirements in accordance with 10 TAC Chapter 1, Administrative Requirements.

BACKGROUND

The Department administers the HHSP in accordance with Tex. Gov't Code §2306.2585 and 10 TAC Chapter 7. Allowable activities include construction, development, or procurement of housing for homeless persons; rehabilitation of structures targeted to serving homeless persons or persons at-risk of homelessness; provision of direct services and case management to homeless persons or persons at risk of homelessness; or other homelessness-related activity, as approved by the Department.

The City of Houston was awarded \$1,320,400 in SFY 2016 HHSP funds on September 3, 2015, based on the formula currently set forth in 10 TAC Chapter 7, Subchapter A, §7.4 and as such are only able to be utilized by the City of Houston. The Department entered into a contract agreement that was later reduced to \$1,293,992, and under the terms of the contract, funds were required to be spent by September 30, 2016, with a final expenditure report due no more than 45 days later. The final expenditure report indicated \$1,007,989.75 in total expenditures, with an unrequested balance of \$286,002.25. In February 2017, the City of Houston indicated that there were some HHSP-eligible activities that occurred during SFY 2016, for which the City did not submit an expenditure request; however staff does not have the authority to extend the contract after its expiration.

SFY 2016 funds were awarded in the first year of the biennium and the Department maintains authority for the distribution of these State funds through the end of the biennium on August 31, 2017. Staff has determined that re-award of these funds to the City of Houston would be in the best interest of the State and fulfill the original intent of the statute by remaining with the City of Houston. The contract term will be March 1, 2017, through August 31, 2017.

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BOARD ACTION REQUEST
HOUSING RESOURCE CENTER
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action on adoption of the 2017 State of Texas Low Income Housing Plan and Annual Report, and an order adopting amendments to 10 TAC Chapter 1, Subchapter A, General Policies and Procedures §1.23 concerning State of Texas Low Income Housing Plan and Annual Report, and directing their publication 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 15, 2016, the Board approved proposed amendments to 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; 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 amendments to 10 TAC Chapter 1, Subchapter A, General Policies and Procedures §1.23 concerning State of Texas Low Income Housing Plan and Annual Report are hereby adopted in the form presented at this meeting; and

FURTHER RESOLVED, that the 2017 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 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, 2015, through August 31, 2016).

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 15, 2016, the Board approved the release of a draft 2017 SLIHP for public comment. The public comment period for the SLIHP was held from Monday, December 19, 2016, through Friday, January 27, 2017. A public hearing was held on Wednesday, January 4, 2017, in Austin. The Department received eight comments on the draft 2017 SLIHP from one source: Texas Council for Developmental Disabilities (“TCDD”). No changes were made to the 2017 SLIHP in response to public comment.

Summary of changes made to the 2017 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. Revised Annual Housing Report section for an activity in Single Family Homeownership Program removing a duplicative entry for one household in Region 3 totaling \$139,817.

The full text of the 2017 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 2017 SLIHP by contacting the Department’s Housing Resource Center at (512) 475-3976.

Also at the Board meeting of December 15, 2016, the Board approved proposed amendments to 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 30, 2016, through Friday, January 27, 2017. No public comment was received concerning the proposed rule amendment.

The following attachments are provided:

Attachment A – Adoption preamble and amendment to 10 TAC §1.23 with a summary of comments and response to comments made on the 2017 SLIHP.

Attachment B – 2017 SLIHP, as presented to the Board on February 28, 2017.

Attachment A. Preamble and adopted amendment to 10 TAC §1.23

The Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) adopts amendments to 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23, concerning State of Texas Low Income Housing Plan and Annual Report, without changes to the proposed text as published in December 30, 2016, issue of the *Texas Register* (41 TexReg 53) and will not be republished. The section adopts by reference the 2017 State of Texas Low Income Housing Plan and Annual Report (“SLIHP”) as a rule. No changes have been made to the rule text or to the 2017 SLIHP in response to comment.

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 amendment adopts by reference the 2017 SLIHP. The purpose of the rule and referenced 2017 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 2016 performance.

SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS. The public comment period was between December 30, 2016, and January 27, 2017, and a public hearing was held on January 4, 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 eight comments on the 2017 SLIHP from one source: Texas Council for Developmental Disabilities (“TCDD”).

Comment 1: TCDD commented on the unmet need for individuals with incomes below 30% AMFI, stating that failure to provide housing that is affordable to people with disabilities or to the elderly who rely on federal assistance, such as Social Security Disability Income (“SSDI”) or Supplement Security Income (“SSI”), results in reduced safety or displacement from the community. Further, TCDD commented that only the Section 811 Program, Homeless Housing and Services Program (“HHSP”), and Emergency Solutions Grant Program (“ESG”) target individuals with income below 30% AMFI and urged TDHCA to go beyond simply recognizing the unmet need and provide more for this income group.

Department Response: TDHCA’s mission 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 Section 811 Program, HHSP, and ESG, TDHCA administers the Community Services Block Grant (“CSBG”) Program, which serves Texans who fall within the very low and extremely low income categories. Through CSBG, TDHCA served more than 559,000 very low and extremely low-income Texans in SFY 2016.

Also, in the 2017 Qualified Allocation Plan (“QAP”), which governs the awarding and allocation of 2017 9% Housing Tax Credit (“HTC”) program funds, scoring priority may be awarded to

applicants who elect to restrict an additional 10% of the proposed low income units for households at or below 30% of Area Median Gross Income (“AMGI”). These units must be in addition to units required under any other provision of the 2017 QAP. While the pre-application period for the 2017 HTC has concluded, the Department is actively seeking stakeholder input on the development of the 2018 QAP.

Finally, through the Department’s Multifamily Direct Loan Program, funding is provided to nonprofit and for-profit entities for the new construction or rehabilitation of affordable multifamily rental developments. Funding is typically provided in the form of low interest rate, repayable construction-to-permanent loans. Multifamily developments funded through the Department’s Multifamily Direct Loan Program must comply with long-term rent and income restrictions and may be layered with additional funding sources (such as HTC). In the Multifamily Direct Loan Program NOFA, released in December 2016, funds under a Supportive Housing/Soft Repayment Set-Aside are intended to increase the number of 30% rent-restricted units and occupy them with households with an annual income of 30% Area Median Income (“AMI”) or less who are not currently receiving any type of rental assistance. The Department will accept applications under this NOFA beginning on January 9, 2017. Based on the availability of funds, applications may be accepted until 5:00pm Austin Local Time on August 31, 2017. The NOFA can be found at <http://www.tdhca.state.tx.us/multifamily/nofas-rules.htm>.

Through the administration of all programs, TDHCA will continue to solicit public and stakeholder comment to enhance program administration and further meet its mission. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 2: TCDD referenced TDHCA’s Strategic Plan Goal 1 and recommended that TDHCA develop a target income category of between 0 and 110% of the level of SSI with the rationale that setting a threshold below “extremely low” will allow TDHCA to monitor, strategize, and allocate resources for a group that TCDD states has the greatest needs for housing and related supports.

Department Response: TDHCA’s Strategic Plan Goals reflect program performance based upon measures developed with the State’s Legislative Budget Board (“LBB”) and the Governor’s Office of Budget, Planning and Policy (“GOBPP”). The goals are also based upon Riders attached to the Department’s appropriations bill. The Department believes that the goals and objectives for the various TDHCA programs, to the extent feasible, should be consistent with its mandated performance requirements. Revising income eligibility and setting a target income category of between 0 and 110% of the level of SSI for programs addressed by Goal 1 (titled “TDHCA WILL INCREASE AND PRESERVE THE AVAILABILITY OF SAFE, DECENT AND AFFORDABLE HOUSING FOR VERY LOW-, LOW-, AND MODERATE-INCOME PERSONS AND FAMILIES”) is driven by recommending changes to specific program rules. Opportunities for public comment on program rules are made available at <http://www.tdhca.state.tx.us/public-comment.htm>. Further, the Department has developed a plan for ongoing stakeholder involvement in development of the 2018 Qualified Allocation Plan

(“QAP”), which governs the HTC program. The 2018 QAP Project Plan is available at <http://www.tdhca.state.tx.us/multifamily/docs/18-QAP-ProjectPlan.pdf>. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 3: Referring to Goal 3 of TDHCA’s Strategic Plan goals, TCDD recommended that people with the greatest need, those classified as “extremely low-income,” should be included in efforts to improve living conditions through rental and energy assistance, citing the burden of fluctuating utility and rental payments for those living on fixed incomes.

Department Response: In the utility assistance programs that Goal 3 and the TDCC comment refer to, program rules require the Department to establish priority criteria to serve persons in Households 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. Highest energy costs or needs in relation to income shall be the highest rated item in sliding scale priority determinations (10 TAC Chapter 5 Subchapter D, §5.407 and Chapter 6 Subchapter C, §6.307). No changes have been made to the 2017 SLIHP in response to this comment.

Comment 4: TCDD referenced Rider 5 (a) of the General Appropriations Act and recommended that TDHCA increase the effective allocation of resources to reflect greater participation of extremely low-income individuals and households in mainstream community-integrated housing.

Department Response: As required by Rider 5 (a) of the General Appropriations Act, TDHCA adopts an annual goal to apply no less than \$30,000,000 of the funds available from the Housing Trust Fund, HOME Program, Section 8 Program, and Housing Tax-Credit Program's total housing funds toward housing assistance for individuals and families earning less than 30 percent of the AMFI. TDHCA regularly exceeds this goal. The FY 2016 Rider 5 Report states that \$62,341,219 in funding assisted households at or below 30% AMFI, meeting the goal by 207.80%. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 5: TCDD recommended that TDHCA include a goal to dedicate expected National Housing Trust Fund (NHTF) funding to establish community-integrated accessible housing for individuals who must rely on fixed Social Security income or incomes no greater than 20% AMFI.

Department Response: TDHCA has been named as the State Designated Entity that will administer NHTF funds in Texas. TDHCA has developed an NHTF Allocation Plan with public input in accordance with the HUD approved Citizen Participation Plan. The plan has already been submitted to the federal oversight agency and is awaiting approval; once the plan is approved, goals for activities will be included in Strategic Plan Goal 1. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 6: TCDD recommended that TDHCA include a goal to encourage and provide incentives to employ people with disabilities in building, rehabilitating, or managing TDHCA housing programs in

support of the Texas Employment First Policy for working age Texans adopted by the 83rd Texas Legislature.

Department Response: While the Employment-First policy, as required by Senate Bill 1226 (83rd Texas Legislature, Regular Session), only applies to the Health and Human Services Commission, the Texas Education Agency, and the Texas Workforce Commission, the Department recognizes the importance of competitive employment opportunities that provide a living wage for individuals with disabilities. Similar to the Department response to Comment 2, adding incentives to TDHCA programs to employ people with disabilities is driven by recommending changes to specific program rules. Opportunities for public comment on program rules are made available at <http://www.tdhca.state.tx.us/public-comment.htm>. Again, the Department has developed a plan for ongoing stakeholder involvement in development of the 2018 QAP, which governs the HTC program. The 2018 QAP Project Plan is available at <http://www.tdhca.state.tx.us/multifamily/docs/18-QAP-ProjectPlan.pdf>. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 7: TCDD recommended that TDHCA include a goal to promote innovative approaches that advance community integrated housing opportunities for individuals with disabilities, and which may be funded through matching general revenue and federal funding.

Department Response: Similar to the Department response to Comment 2 and Comment 6, adding a goal to TDHCA programs to promote innovative approaches that advance community integrated housing opportunities for individuals with disabilities funded through matching general revenue and federal funding would be driven by changes to program rules. Opportunities for public comment on program rules are made available at <http://www.tdhca.state.tx.us/public-comment.htm>. Again, the Department has developed a plan for ongoing stakeholder involvement in development of the 2018 QAP, which governs the HTC program. The 2018 QAP Project Plan is available at <http://www.tdhca.state.tx.us/multifamily/docs/18-QAP-ProjectPlan.pdf>. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 8: TCDD noted the success of the coordination between TDHCA and the Department of State Health Services (“DSHS”) allowing Local Mental Health Authorities (“LMHAs”) to become HOME Tenant-Based Rental Assistance (“TBRA”) administrators. This initiative supported individuals in subsidized housing while waiting for permanent housing subsidies. Based on that success, TCDD recommends that TDHCA direct funding to serve other persons with disabilities who have extremely low incomes who are at risk for homelessness.

Department Response: TDHCA has programs that serve special populations, including Persons with Disabilities who have extremely low incomes, and the Department already provides TBRA to persons with disabilities through subrecipients that are separate and in addition to the coordinated effort with LMHAs and DSHS. As funding opportunities become available, TDHCA will work with other partner agencies as appropriate. No changes have been made to the 2017 SLIHP in response to this comment.

The TDHCA Governing Board approved the 2017 SLIHP and the final order adopting the amendments on February 28, 2017.

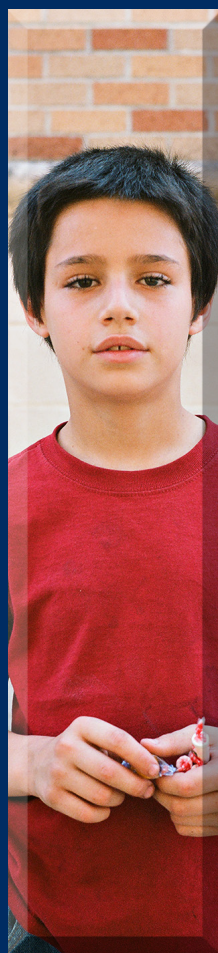
STATUTORY AUTHORITY. The amendments are adopted pursuant to the authority of Tex. Gov't Code §2306.053 which authorizes the Department to adopt rules and pursuant to §2306.0723 which specifically authorizes the Department to consider the SLIHP as a rule.

§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 2017 State of Texas Low Income Housing Plan and Annual Report ("SLIHP"). The full text of the 2017 SLIHP may be viewed at the Department's website: www.tdhca.state.tx.us. The public may also receive a copy of the 2017 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3800.

Attachment B – 2017 SLIHP, as presented to the Board on February 28, 2017.

2017



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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SECTION 1: INTRODUCTION

The Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) is the State of Texas’ lead agency responsible for affordable housing. TDHCA offers a Housing Support Continuum for low- to moderate-income Texans with services ranging from homelessness prevention to homeownership.

INSTITUTIONAL STRUCTURE

In 1991, the 72nd Texas Legislature created the Department. The Department’s enabling statute 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, regulation of manufactured housing was transferred to the Department. In accordance with House Bill 7, effective September 1, 2002, the CDBG and Local Government Services programs were transferred to the newly-created Office of Rural Community Affairs, now the Office of Rural Affairs within the Texas Department Agriculture (“TDA”) as a result of the 82nd Legislative Regular Session. However, TDHCA, through an interagency agreement with TDA, administers 2.5% of the CDBG funds used for colonia Self-Help Centers (“SHCs”) along the Texas-Mexico border. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA. Regarding CDBG Disaster Recovery, effective July 1, 2011, the CDBG Disaster Recovery Programs were transferred to the Texas General Land Office (“GLO”) from the Department.

AGENCY MISSION AND CHARGE

The mission of TDHCA is to administer its assigned programs efficiently, transparently and lawfully, and to invest its resources strategically and develop high quality affordable housing which allows Texas communities to thrive.

TDHCA accomplishes this mission by administering a variety of housing and community affairs programs primarily for households whose incomes are low to moderate as determined in reference to either Area Median Family Income (“AMFI”) or the federal poverty level. A primary function of TDHCA is to act as a conduit for federal grant funds for housing and community services, including serving as a public housing authority. Because several major housing programs require the participation of private investors and private lenders, TDHCA also operates as a housing finance agency. As a rule TDHCA does not assist individuals or households directly or 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. With this funding, TDHCA strives to promote sound housing policies; promote leveraging of state and local resources; prevent discrimination; and ensure the stability and continuity of services through a fair, nondiscriminatory and open process. Because of the great amount of need in proportion to the federal and state funding available, the Department strives to provide the most benefit by managing these limited resources to have the greatest impact.

TDHCA is one organization in a network of housing and community services providers located throughout Texas. This document focuses on programs within TDHCA’s jurisdiction, which are intended to work either in cooperation with or as complements to the services provided by other organizations.

HOUSING SUPPORT CONTINUUM ACTIVITIES CHART

TDHCA’s Housing Support Continuum can be divided into five categories. It should be noted that, with the exception of the Section 8 Housing Choice Voucher Program and the 811 Project Rental Assistance Program in limited areas, TDHCA administers its programs and services through a network of local governments, organization administrators, property owners, or developers across Texas and does not generally provide assistance directly to individuals.

The TDHCA Housing Support Continuum includes: (1) Poverty and Homelessness Prevention, (2) Rental Assistance and Multifamily Development, (3) Homebuyer Education, Assistance and Single-Family Development, (4) Rehabilitation and Weatherization, and (5) Disaster Relief. The following table outlines TDHCA’s State Fiscal Year 2017 programs. The criteria for an Eligible Household may alter by rule or in Notices of Funding Availability; the criteria noted below are those in effect at the time of this draft publication.

Housing Continuum: (1) Poverty and Homelessness Prevention

Program/Activities	Description	Eligible Households
Community Services Block Grant	Funds local community action agencies to provide essential services and poverty programs	<=125% poverty
Comprehensive Energy Assistance Program	Funds local agencies to offer energy education and financial assistance for utility bills	<=150% poverty
Emergency Solutions Grant Program	Funds entities to assist persons experiencing homelessness and persons at risk of homelessness regain stability in permanent housing	<30% AMFI (Homeless)
Homeless Housing and Services Program	Funds Texas cities with a population of 285,500 or more to provide services or fund facilities for individuals and families experiencing homelessness	<=30% ELI (Homeless) or <=50% ELI for recertification

Housing Continuum: (2) Rental Assistance

Program/Activities	Description	Eligible Households
Section 811 Project Rental Assistance Program	Provides project-based rental assistance for extremely low-income persons with disabilities linked with long-term services	<30% AMI
Section 8 Housing Choice Voucher Program	Acts as a public housing authority to offer tenant-based rental assistance vouchers in certain rural areas and statewide for persons with disabilities eligible for the Project Access Program	<50% AMI
Tenant-Based Rental Assistance (HOME Program)	Grants for local administrators to provide tenant-based rental assistance	<80% AMI
Housing Tax Credit Program	Tax credits for the creation or preservation of affordable rental housing	<60% AMI
Multifamily Bond Program	Loans to develop or preserve affordable rental housing.	<60% AMI
Multifamily Direct Loan Program	Loans or grants to develop or preserve affordable rental housing. Funds are available to for-profit and nonprofit and other qualified Developers	<30% AMI and <80 % AMI

Housing Continuum: (3) Homebuyer Education, Assistance and Single-Family Development

Program/Activities	Description	Eligible Households
Colonia Self-Help Center Program	Provides funding for rehabilitation, reconstruction, new construction, homebuyer assistance, construction and technology education, tool lending libraries, and counseling for eligible residents of colonias in the targeted colonias in seven border counties	<80% AMI
Texas Statewide Homebuyer Education	Training for nonprofits to provide homebuyer education	NO AMI Limits
Homebuyer Assistance (HOME Program)	Down payment and closing cost assistance for homebuyers of single family housing units; may include rehabilitation for accessibility modifications	<80 % AMI
Contract For Deed Program (HOME Program)	Stabilizes home ownership for residents of colonias by providing assistance to convert contract for deeds into traditional mortgages in conjunction with the repair or replacement of the residence	<60% AMI
Contract For Deed Assistance Program (Housing Trust Fund)	Supports nonprofits and units of local government in assisting eligible households in colonias who wish to convert their contracts for deeds into warranty deeds	<60% AMI
My First Texas Home Program – Non-targeted funds	Low-interest loans and down payment and closing costs for first time homebuyers	<115% AMI
My First Texas Home Program – Targeted funds	Low-interest loans and down payment and closing costs for first time homebuyers in areas of chronic economic distress	<140% AMI
Mortgage Credit Certificate Program – Non-targeted funds	Annual tax credit for qualified homebuyers based on the interest paid on the homebuyer's mortgage loan	<115% AMI
Mortgage Credit Certificate Program – Targeted funds	Annual tax credit for qualified homebuyers based on the interest paid on the homebuyer's mortgage loan in areas of chronic economic distress	<140% AMI
Neighborhood Stabilization Program (NSP) Stimulus Program)*	Funds for existing NSP administrators to construct or rehabilitate, or provide homebuyer assistance, for foreclosed, vacant or abandoned properties already in the NSP program	<120% AMI
Single Family Development (HOME Program)	Community Housing Development Organization (CHDOs) can apply for loans to acquire, rehabilitate, or construct single family housing. CHDOs can also apply for homebuyer assistance if their organization is the developer of the single family housing project	<80% AMI
Texas Bootstrap Loan Program	Provides 0% loan funds to owner-builders through certified nonprofit organizations to rehabilitate or construct their homes through self-help construction	<60% AMI

Housing Continuum: (4) Rehabilitation and Weatherization

Program/Activities	Description	Eligible Households
Amy Young Barrier Removal Program (Housing Trust Fund)	Grants to administrators for up to \$20,000 per household to provide home modifications needed for accessibility for person with disabilities	<80% AMI
Homeowner Rehabilitation Assistance Program (HOME Program)	Loans and grants for entities to provide home repair and replacement assistance	<80% AMI
Weatherization Assistance Program	Funds local agencies to provide home repairs to increase energy efficiency	<=150% poverty for LIHEAP WAP <=200% poverty for DOE WAP

Housing Continuum: (5) Disaster Relief

Program/Activities	Description	Eligible Households
Community Services Block Grant	Provide persons with emergency shelter, food, clothing and other essentials, such as appliances and hygiene items	<=125% poverty
Disaster Relief (HOME Program)	HOME funds may be used in non-participating jurisdictions to assist with home repair, rehabilitation, reconstruction, homebuyer assistance and tenant-based rental assistance for households affected by a disaster	<80% AMI

*NSP is noted as a “Stimulus Program,” created by Housing and Economic Recovery Act (“HERA”) of 2008, to establish a temporary program meant to address the economic issues prevalent at the time of its creation. For more detailed program information, please see “2017 TDHCA Programs” in Section 4: Action Plan.

ADMINISTRATIVE STRUCTURE

Agency programs are grouped into the following divisions: Community Affairs, HOME and Homeless Programs, Multifamily Finance, Section 811 Project Rental Assistance, Single Family Operations and Services, and Texas Homeownership. The Manufactured Housing Division is administratively attached to TDHCA, although it operates independently with its own executive director and governing board.

The Single Family Operations and Services Division administers several single-family programs and performs administrative functions for areas such as single-family and multifamily loan servicing, and single-family asset management. Additionally, the Division is responsible for the adherence, processing and completion of cross-cutting federal and departmental requirements for programs administered by the Department, including environmental clearances, labor standards requirements, minimizing resident relocation, and the commitment and disbursement of federal funds. The programs overseen within this division include the Housing Trust Fund, the Office of Colonia Initiatives and the Neighborhood Stabilization Program.

Additionally, several Divisions within TDHCA are involved in the administration of the agency as a whole but do not administer specific programs:

- The Asset Management Division oversees the ongoing economic viability of 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 ensures compliance with federal and state regulations by using various oversight measures including onsite monitoring visits and desk reviews. Key compliance monitoring requirements for housing activities include ensuring that units are leased to income qualified households, that rents are properly restricted and that developments funded through the Department are accessible to persons with disabilities and in compliance with property condition standards.
- The External Affairs Division disseminates information to the public and is a liaison between TDHCA and industry stakeholders, advocacy groups, and the executive and legislative branches of state and federal government.
- The Fair Housing, Data Management, and Reporting 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 established by the Department's governing statute. It provides educational materials and information to the public, community-based housing development organizations, nonprofit housing developers, and other state, federal, and local agencies. This assistance helps providers determine local housing needs, access appropriate housing programs, and identify available funding sources needed to increase the stock of affordable housing. The Housing Resource Center also offers assistance to the general public in locating the appropriate service providers in their community. The Center is also responsible for plans and reports that TDHCA is required to submit to receive funding from both the state and federal government. These policy documents are integral components of the strategic planning process that determines the direction of housing policy for the State of Texas.
- The Real Estate Analysis Division provides the TDHCA Board and staff with comprehensive analytical reports necessary to make well-informed financial decisions for funding of affordable multifamily housing developments.
- Other divisions that are involved in TDHCA's internal management include Bond Finance, Financial Administration, Human Resources, Information Systems, Internal Audit, and Legal.

2017 STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT

The 2017 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 §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 2016, including performance measures, actual numbers served and a discussion of TDHCA's goals;
- **Section 4: Action Plan** - A description of TDHCA's program descriptions and plans, resource allocations, policy initiatives, special needs and goals;
- **Section 5: Public Participation** - Information on the Plan preparation and a summary of public comment;
- **Section 6: Colonia Action Plan** - A biennial plan for 2016-2017, which discusses housing and community development needs in the colonias, describes TDHCA's policy goals, summarizes the strategies and programs designed to meet these goals and describes projected outcomes to support the improvement of living conditions of residents of colonias;
- **Section 7: Texas State Affordable Housing Corporation ("TSAHC") Plan** - This section outlines TSAHC's plans and programs for 2017 and is included in accordance with Tex. Gov't Code §2306.0721(g); and
- **Section 8: Appendices: TDHCA's enabling statute, Tex. Gov't Code Chapter 2306; Bibliography; and, Acronyms.**

Because the Plan's legislative requirements are extensive, TDHCA has prepared a collection of publications in order to fulfill these requirements. TDHCA produces the following publications in compliance with 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 uniform service regions.

DATA SOURCES AND LIMITATIONS

The information provided in this section should be considered within the context of its limitations. The Department recognizes that the most accurate assessment of housing need can best be found only at the local level based on the direct experience of local households and those who work to assist low and moderate income households. Alternative methods, such as detailed on-location assessments by professionals skilled at reviewing such matters and local surveys might be used, but the Department lacks the resources to obtain such data through third parties or, confronted with an area covering over 268,000 square miles, to compile it directly. Therefore, the following issues should be considered when reviewing the information contained in this report:

Many facets of housing need, especially those tied to localized conditions, are not captured when data is aggregated into regional, county, and statewide totals. For example, housing needs in rural communities are often distorted when reported at the county level because the large population of metropolitan areas can skew the data and mask the needs of the rural areas. Whenever possible, rural data is considered separately from urban data.

Reliable data available on the condition of the housing stock, the 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 areas adjacent to urban centers to self identify as rural, but as of the time of the preparation of this Plan no such self designations have occurred.

For the purposes of analysis in the SLIHP, urban and rural designations will be determined by counties' characteristics. County-level data allows the needs factors in the Housing Analysis chapter to be compared accurately to the Annual Report chapter data. The Annual Report chapter is based on county-level data because of the reporting requirements of the programs.

The definition of rural in 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 25,000). Therefore, the following analysis will refer to "MSA counties with urban places" and "Non-MSA counties and counties with only rural places." The data for "MSA counties with urban places" will be counted as "urban" and the data for "Non-MSA counties and counties with only rural places" will be counted as "rural."

The needs assessment data is augmented with local information, when available.

Organization of this chapter is as follows:

State of Texas Demographic Trends

- Comparison of demographic data over time.

Special Needs Analysis

- Description of the housing needs for people with special needs and statewide estimates of the number of persons with special needs.

Poverty, Income and Affordable Housing

- Economic demographics and its relationship to the cost of housing.

For-Market and Subsidized Housing Availability

- Type and size of market-rate and subsidized units available.

Local Assessment of Need

- Analysis of request for assistance from TDHCA.

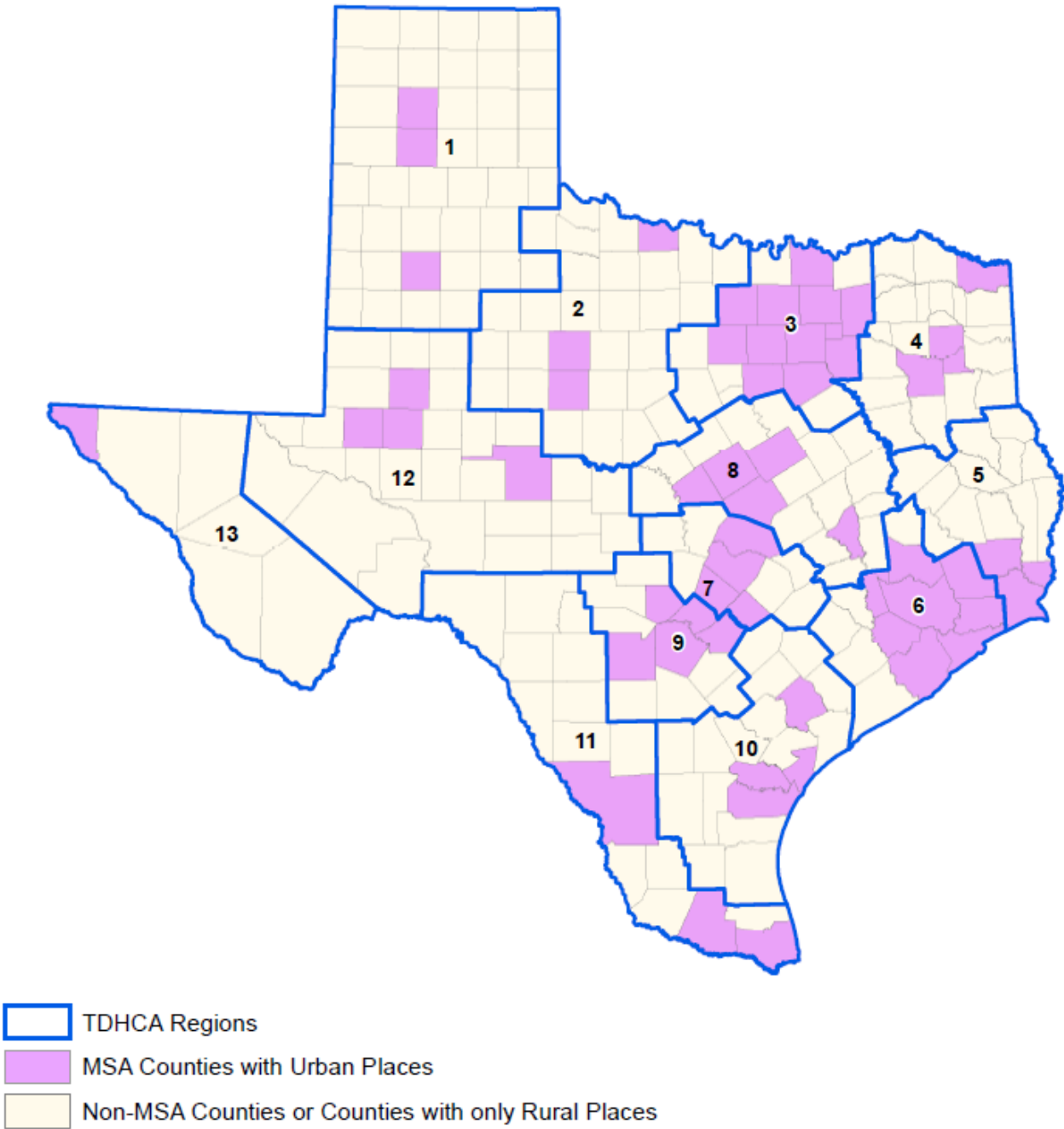
Regional Analysis

- Statewide data divided by region.

STATE OF TEXAS

The state-level housing analysis includes information on demographics, special-needs populations and affordable-housing need indicators. In order for the information to be more applicable on a local level, analysis is also conducted by region, as depicted below.

TDHCA Regions



Source: Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates, Table B1003. TIGER data 2014
Disclaimer: This map is not a survey product; boundaries, distances and scale are approximate only.

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 American Community Survey 5-Year Estimates from 2010-2014, it is possible to analyze population trends compared to the nation as a whole and its implication for housing need.

- Texas has approximately 26,092,033 people, which is about 8.3% of the US population.
- With the exception of the Hispanic population, discussed separately below, Texas mirrors the US closely in terms of percentages of races in the population. Texas has 74.7% of its population as White Alone, while the US has 73.8%, a difference of only 0.9%. The percentage differences in population between Texas and the US vary less than 0.7% for Black or African American Alone, American Indian or Alaskan Native Alone, Asian Alone, Native Hawaiian and Other Pacific Island Alone, and Two or More Races. For Some Other Race Alone, Texas’ population is 6.4% and the US’ population is 4.7%. This 1.7% difference could be the result of Hispanic population including their ethnicity with their race (U.S. Census Bureau, n.d.).
- The percentage of Hispanics is 21.3% higher in Texas as compared to the US population. Texas has 38.2% of its population who identify as Hispanic, while the US has 16.9%.
- Texas has a greater percentage of children under 18 than the US as a whole. Texas has 26.8% of its population as persons under 18 years old, compared to 23.5% for the nation. The median age of the Texas population is 33.9 years, while the median age of the national population is 37.4 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 2010-2014 ACS Estimates, the number of people in poverty varied dramatically by race and ethnicity. In Texas, White (non-Hispanic) had a poverty rate of 16.1%; Blacks or African Americans had a poverty rate of 24.1%; the Hispanic population had a poverty rate of 26.1%; and Asians had a poverty rate of 11.8%. Lower incomes often lead to greater housing challenges.

Older Texans face housing challenges that will become more prevalent as the population ages. The incidences of disability increase with age. According to 2010-2014 ACS Estimates, 9.9% of persons between 18-64 years old have a disability, while 39.9% of persons 65 and older have a disability. In addition, older households tend to live in older homes: according to 2010-2014 ACS, 36.6% of households aged 65 years and older lived in housing stock built before 1970. These factors may increase the need for housing modifications for accessibility and home repair.

Urban and Rural Population, Texas

State	Rural	Urban	Total
Total	3,485,248	22,606,785	26,092,033

Source: MSA defined by OMB, 2013. Population from 2010-2014 American Community Survey, Table B01003.

STATEWIDE SPECIAL NEEDS

Tex. Gov't Code §2306.0721 requires the Department to include in the Plan the housing needs of individuals with special needs. The Department identifies special needs as colonia residents, elderly persons, homeless persons, farmworkers, persons with alcohol and drug use disorders, persons with disabilities, persons with HIV/AIDS and their families, persons with Violence Against Women Act (“VAWA”) Protections, public housing residents, veterans and wounded warriors, and youth aging out of foster care.

Throughout the Housing Analysis chapter, whenever possible, the special needs populations in each region are broken down by the proportion of the population residing in urban areas, defined in this document as MSA counties and the population residing in rural areas, defined as non-MSA counties.

COLONIA RESIDENTS

According to 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.

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 recently-released, 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. 19% of households experiencing worst case housing needs in 2013 were Elderly Person Households without children (HUD, April 2015). According to the chart below, of Texans aged 65 and older, approximately 79.8% 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).

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	576,760	2,272,997	2,849,757	26,092,033	10.9%

Source: 2010-2014 American Community Survey, Table DP05.

HOMELESS PERSONS

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, 65% of Americans experiencing homelessness were homeless as individuals and 35% were homeless as persons in families. Nationally, homelessness declined by 3% between 2015 and 2016. This decrease was composed entirely of sheltered persons; homelessness increased by 2% among persons staying in unsheltered locations. The number of individuals experiencing homelessness in the United States declined by less than 1% and homelessness among persons in families declined by 6% nationally between 2015 and 2016 (HUD, November 2016). 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 chronic homelessness in 2016 with 4% of the national total in Texas (or 23,122 people). Between 2007 and 2016, Texas saw one of the largest decreases (41.9%) in the number of individuals experiencing homelessness compared to other states. On a single night in 2016, there were 39,471 veterans experiencing homelessness in the United States and nearly all (97%) were homeless in households without children (as individuals). Between 2015 and 2016, homelessness among veterans declined by 17% (or 8,254) (HUD, November 2016). Based on Continuum of Care Point in Time counts generated by the Texas Homeless Network, in 2016 approximately 23,122 persons considered homeless were physically counted (HUD, October 2016).

While overall homelessness, chronic homelessness, and homelessness among veterans has declined over the last year, the number of children experiencing homelessness has increased both nationwide and in Texas. 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.

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	1,637	2,052	3,689
Severely Mentally Ill	2,968	1,384	4,352
Chronic Substance Use Issues	2,586	1,133	3,719
Veterans	1,285	483	1,768
Persons with HIV/AIDS	212	65	277
Survivors of Domestic Violence	2,587	555	3,142

Source: HUD, October 2016.

FARMWORKERS

As one of the top five agricultural producing states, Texas leads the nation in the number of farms and ranches, with 248,800 farms and ranches covering over 130.2 million acres (Texas Department of Agriculture, 2016). According to the Texas Workforce Commission, demand for agriculture workers grew by 0.8% between 2009 and 2013. Although the agriculture industry in Texas has been using fewer workers in recent decades as farming methods have become more efficient, a rebounding economy in Texas and globally has driven up demand for what Texas grows, which is increasing demand for workers (Texas Workforce Commission, 2013). A 2012 study found that in rural areas, stakeholders report that persons earning 30% or less than AMFI have the most difficulty accessing safe, affordable and decent housing. This group includes farmworkers (Bowen National Research, September 2012).

Migrant Seasonal Farmworker Population Estimates, Texas

State	Total
Total	289,600

Source: Texas Workforce Commission, 2012 (most recent data available).

PERSONS WITH ALCOHOL AND SUBSTANCE USE DISORDERS

Alcohol or substance use disorders can lead to homelessness or can be a result of homelessness. 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 23,122 people who were homeless on a single night in January 2016, 18.8% had a serious mental illness, and 16.1% had a chronic substance use problem (HUD, October 2016). 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 DISABILITIES (MENTAL, PHYSICAL, AND DEVELOPMENTAL)

A significant number of persons with disabilities face extreme housing needs. The 2010-2014 American Community Survey data shows that 15.0% of individuals that live below the poverty level in Texas have a disability, while 10.9% 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 38.7% of unassisted very low-income renter households containing persons with disabilities in 2013. For unassisted family households without children and aging persons, that rate increases to 46.8%. Nearly half (49.4%) of very low-income renter households containing persons with disabilities are severely rent burdened and pay more than 50% of their income towards housing (HUD, April 2015).

According to the chart below, of those Texans with disabilities, approximately 81.3% live in urban areas. Persons with disabilities are more likely to be living in urban areas due to the ability to access transportation and the close proximity to health related and other services and supports (Cruz, 2010).

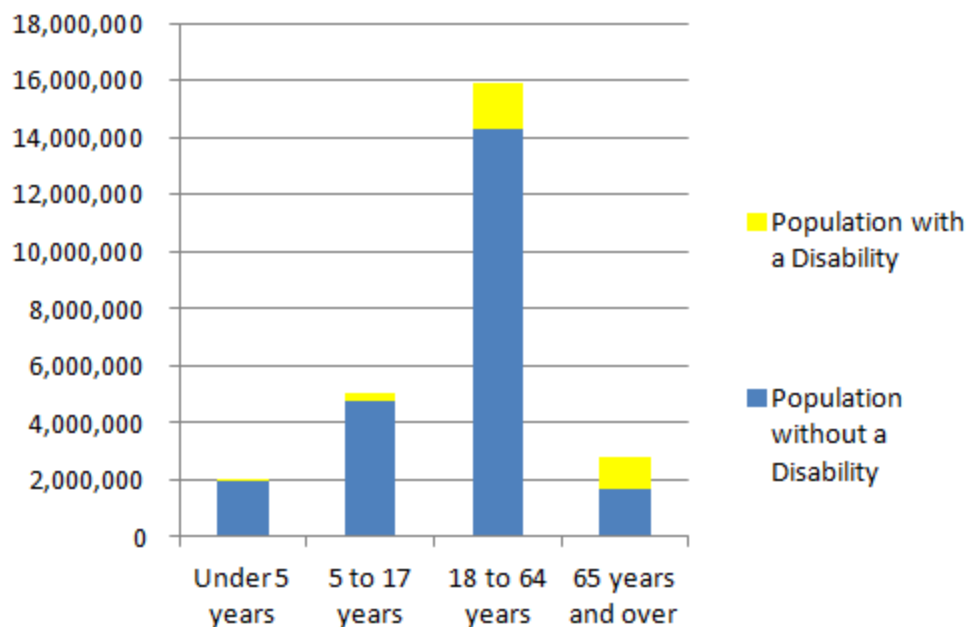
Persons with Disabilities, Texas

State	Rural	Urban	Total*
Total	551,084	2,417,958	2,969,042

Source: 2010-2014 American Community Survey, Table S1810.

*Total Non-institutionalized Population.

Persons with Disabilities as a part of Total Population by Age, Texas



Persons with Disabilities as a percentage of Total Population, Texas

Age	Population with a Disability	Total civilian Noninstitutionalized Population	Persons with a disability as a percentage of total population
Under 5 years	16,872	1,940,567	0.87%
5 to 17 years	272,371	5,038,593	5.41%
18 to 64 years	1,576,781	15,868,712	9.94%
65 years and over	1,103,018	2,765,462	39.89%
Total	2,969,042	25,613,334	11.59%

Source: 2010-2014 American Community Survey, Table S1810.

PERSONS LIVING WITH HIV/AIDS AND THEIR FAMILIES

Although the number of Texans living with HIV rises each year, Texas has seen a steep decline in the number of deaths among persons with HIV. As reported by the Texas Department of State Health Services, there were 76,551 Texans living with a diagnosed HIV infection at the end of 2014 and 82,745 Texans living with a diagnosed HIV infection at the end of 2015 (Texas Department of State Health Services, 2016). The 2015 HIV Surveillance Report (released in July 2016) indicates that more than one half of persons with HIV live in the Dallas and Houston areas. Through the Housing Opportunities for Persons with AIDS (HOPWA) Program, housing options are made more affordable for low-income households so they can maintain housing, adhere to medical treatment, and work towards a healthier outcome. The Texas HOPWA program addresses long-term goals with the clients to help them establish a financial plan that can assist them in maintaining their housing.

Persons with HIV/AIDS, Texas

State	Persons with HIV/AIDS – 2015, Rural	Persons with HIV/AIDS – 2015, Urban	Total Persons with HIV/AIDS*, 2015	2010-2014 Total Population	Percent of Persons with HIV/AIDS to Statewide Population
Total	3,777	74,752	78,529	26,092,033	0.3%

Source: Texas Department of State Health Services, 2016.

*The 4,216 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.

PERSONS WITH VIOLENCE AGAINST WOMEN ACT (“VAWA”) PROTECTIONS

The Texas Department of Public Safety reports that the total number of Texas family violence incidents in 2015 was 194,872. This represented a 4.9% increase when compared to 2014. These incidents involved 211,301 victims (up 5.1% from 2014) and 205,154 offenders (up 4.9% from 2014).

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 16, 2015 alone, 1,539 requests for services in Texas were unmet because programs did not have the resources to provide these services. 48% of those requests were for housing. The primary reason for not being able to provide services was reduced funding and staff reductions. (National Network to End Domestic Violence, 2015).

The table below shows total victims and incidents 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 Incidents and Victims, Texas

Area	Total Incidents in 2015	Total Victims in 2015	Total Population, 20010-2014	% of Victims to Population
Rural	20,023	21,833	3,485,248	0.6%
Urban	174,849	189,468	22,606,785	0.8%
Texas	194,872	211,301	26,092,033	0.8%

Source: Texas Department of Public Safety, 2016; 20010-2014 ACS.

PUBLIC HOUSING RESIDENTS

Public housing authorities administer a variety of programs for low-income families, aging Texans and persons with disabilities. These programs range from public housing construction and rehabilitation to Section 8 Housing Choice Voucher (HCV) administration. Section 8 HCV allows very low-income families to choose and lease or purchase safe, decent and affordable privately-owned rental housing (HUD, n.d.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	15,651	38,804	54,455

Source: HUD, 2016a.

VETERANS AND WOUNDED WARRIORS

According to the Texas Veterans Commission, the two key factors which continue to increase the demand for veterans' services in Texas are force reductions, which produce a surge of service members departing the military, and a large aging population of veterans, specifically from the WWII, Korea, and Vietnam eras. As these generations of veterans age and their health deteriorates, their need for services grows (2014).

Veterans face a host of challenges when transitioning back to civilian life. Nationwide, about 1.5 million veterans live in poverty, and the veteran poverty rate is rising (US Department of Veteran Affairs, May 2015). In Texas, 8.2% of the Texas population over 18 consists of veterans and 7.6% of the adult population experiencing homelessness consists of veterans (HUD, November 2016). This is decrease from 2015, when 10.1% of the adult population experiencing homelessness consisted of veterans. 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).

Veterans, Texas

State	Rural Veterans	Urban Veterans	Total Veterans	2010-2014 Population over 18 years	Percent Veterans of Population Over 18 Years
Total	255,841	1,308,660	1,564,501	19,004,447	8.2%

Source: 2010-2014 American Community Survey, Table S2101.

YOUTH AGING OUT OF FOSTER CARE

Studies have found that youth aging out of foster care are less likely than their peers who have not been in foster care to graduate high school or a post-secondary school or be employed at a job that can support their basic necessities. Youth aging out of foster care are more likely to experience violence, homelessness, mental illness, incarceration, substance use 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 most benefit from housing tied with other services, such as educational, 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 2015

State	Rural	Urban	Total
Total	229	951	1,180

Source: Texas Department of Family and Protective Services, 2015

STATEWIDE POVERTY AND INCOME

At the beginning of SFY 2016, a majority of the Department's programs that used the poverty line as an income eligibility threshold to receive services use 125% of poverty instead of 100% of poverty consistent with federal program design. The 2016 poverty income guideline for a family of 4 is \$24,300. In 2016, a family of 4 at 125% poverty would make approximately \$30,375 per year.

As described in the Action Plan Chapter, effective January 1, 2016, the income eligibility limit for the Comprehensive Energy Assistance Program ("CEAP") and Low-income Home Energy Assistance Program Weatherization Assistance Program ("LIHEAP WAP") changed from 125% of poverty to 150% of poverty. Income eligibility for the Community Services Block Grant ("CSBG") programs remains at 125% of poverty.

According to the 2010-2014 American Community Survey, 5,909,890 individuals in Texas live below 125% of the poverty line. The total number of individuals below 125% of poverty is one of the need indicators for some of the Department's programs. Urban areas have higher numbers of people below 125% of poverty, but a lower rate than rural areas.

Individuals Below 125% of Poverty, Texas

Individuals	Rural	Urban	Texas
Individuals below 125% of poverty	835,062	5,074,828	5,909,890
% Individuals below 125% of poverty	24.0%	22.4%	22.7%
Total	3,485,248	22,606,785	26,092,033

Source: 2010-2014 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	974,540	905,625	1,266,145	730,655	3,786,390
Rural	154,680	161,331	216,672	119,702	570,790
Total	1,129,220	1,066,956	1,482,817	850,357	4,357,180

Source: 2009-2013 CHAS, Table 8.

A total of 41.4% of all households are in 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.

STATEWIDE AFFORDABLE HOUSING NEED

When analyzing local housing markets and developing strategies for meeting housing problems, HUD suggests the consideration of several factors. These factors include how much a household spends on housing costs (also called Housing Cost Burden), the physical condition of a housing unit and whether or not the unit is overcrowded. The following table reveals the number and % 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	582,620	734,660	79.30%	291,175	394,535	73.80%	1,129,195
>30 to 50% AMFI	471,560	569,125	82.86%	291,055	497,825	58.47%	1,066,950
>50 to 80% AMFI	359,890	684,275	52.59%	352,570	798,540	44.15%	1,482,815
>80 to 100% AMFI	79,845	329,195	24.25%	161,680	521,175	31.02%	850,370
>100% + AMFI	82,385	945,665	8.71%	334,785	3,411,475	9.81%	4,357,140
Total	1,576,300	3,262,920	48.31%	1,431,265	5,623,550	25.45%	8,886,470

Source: 2009-2013 CHAS, Table 1.

Of renter households, those at 31-50% AMFI are the most likely to have at least one housing problem. Of owner households, those at 0-30% AMFI are the most likely to have at least one housing problem. Overall, renters are more likely than owners to have at least one housing problem.

PHYSICAL INADEQUACY (LACK OF KITCHEN AND PLUMBING FACILITIES)

The measure of physical inadequacy available from the CHAS database tabulation is the number of units lacking complete kitchen and/or plumbing facilities. While this is not a complete measure of physical inadequacy, the lack of plumbing and/or kitchen facilities can serve as a strong indication of one type of housing inadequacy. The following table demonstrates that among the physically inadequate housing units, 31.9% are occupied by extremely low-income renter households and 23.1% are occupied by extremely low-income owner households.

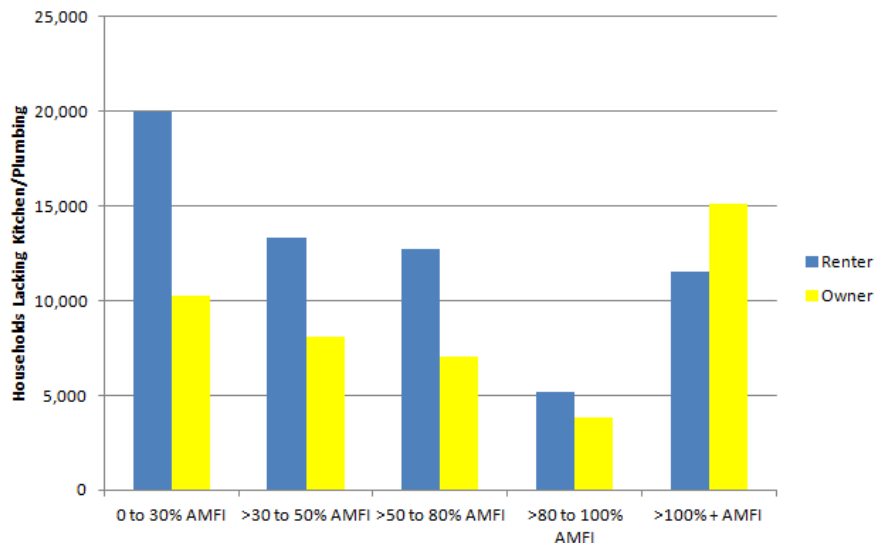
Number of Units Lacking Kitchen and/or Plumbing by Income Category, Texas

Income Categories	Renter Households lacking kitchen or plumbing	Total Renter Households	% of renters lacking kitchen/plumbing in income category	Owner Households Lacking Kitchen or Plumbing	Total Owner Households	% of owner lacking kitchen/plumbing in income category
0 to 30% AMFI	19,982	734,660	2.7%	10,241	394,535	2.6%
>30 to 50% AMFI	13,326	569,125	2.3%	8,064	497,825	1.6%
>50 to 80% AMFI	12,741	684,275	1.9%	7,038	798,540	0.9%
>80 to 100% AMFI	5,163	329,195	1.6%	3,870	521,175	0.7%
>100% + AMFI	11,508	945,665	1.2%	15,105	3,411,475	0.4%
Total	62,692	3,262,920	1.9%	44,309	5,623,550	0.8%

Source: 2009-2013 CHAS, Table 3.

The state defines “standard condition” of housing as properties that meet the Texas Minimum Construction Standards as applicable. “Substandard condition but suitable for rehabilitation” refers to properties that do not meet the above standards but are not sufficiently deteriorated to justify demolition or replacement. These definitions refer to the condition of properties prior to the receipt of assistance. The bar chart below shows that a greater number of renters in the 0-100% income categories lack kitchen or plumbing compared to owners, while a greater number of owners over 100% lack kitchen or plumbing compared to renters.

Number of Renters/Owners Lacking Kitchen or Plumbing, Texas



Source: 2009-2013 CHAS, Table 3.

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 884,207 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 36,850 households experience the problem.

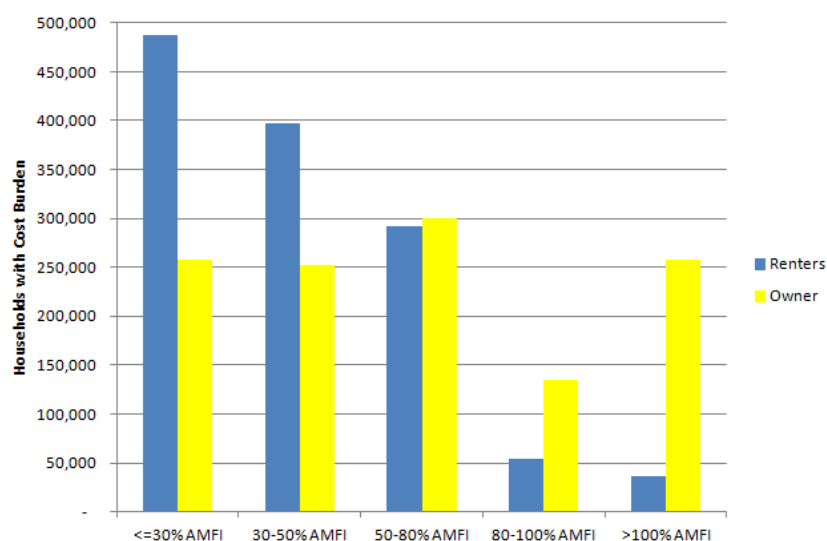
Number of Households with Housing Cost Burden by Income Category, Texas

Income Categories	Renters with Cost Burden	Total Renter House-holds	% of Renter Households with Cost Burden	Owners with Cost Burden	Total Owner Households	% of Owners with cost burden
0 to 30% AMFI	487,171	734,660	66.3%	258,267	394,535	65.5%
>30 to 50% AMFI	397,036	569,125	69.8%	252,654	497,825	50.8%
>50 to 80% AMFI	291,567	684,275	42.6%	299,631	798,540	37.5%
>80 to 100% AMFI	54,395	329,195	16.5%	134,350	521,175	25.8%
>100% + AMFI	36,850	945,665	3.9%	258,010	3,411,475	7.6%
Total	1,267,019	3,262,920	38.8%	1,202,912	5,623,550	21.4%

Source: 2009-2013 CHAS, Table 3.

The bar chart below shows that there are more renters with cost burden in the lower-income categories, but more owners with cost burden in the middle-to-high income categories. This could possibly be because more households in the higher income categories are able to enter the housing market and become owners, creating a larger number of owners in the higher income brackets and a greater exposure to cost burden problems.

Renters/Owners with Housing Cost Burden, Texas



Source: 2009-2013 CHAS, Table 3.

OVERCROWDING

Overcrowded housing conditions occur when a residence accommodates more than one person per each room in the dwelling. Overcrowding may indicate a general lack of affordable housing in a community where households have been forced to share space, either because other housing units are not available or because the units available are too expensive.

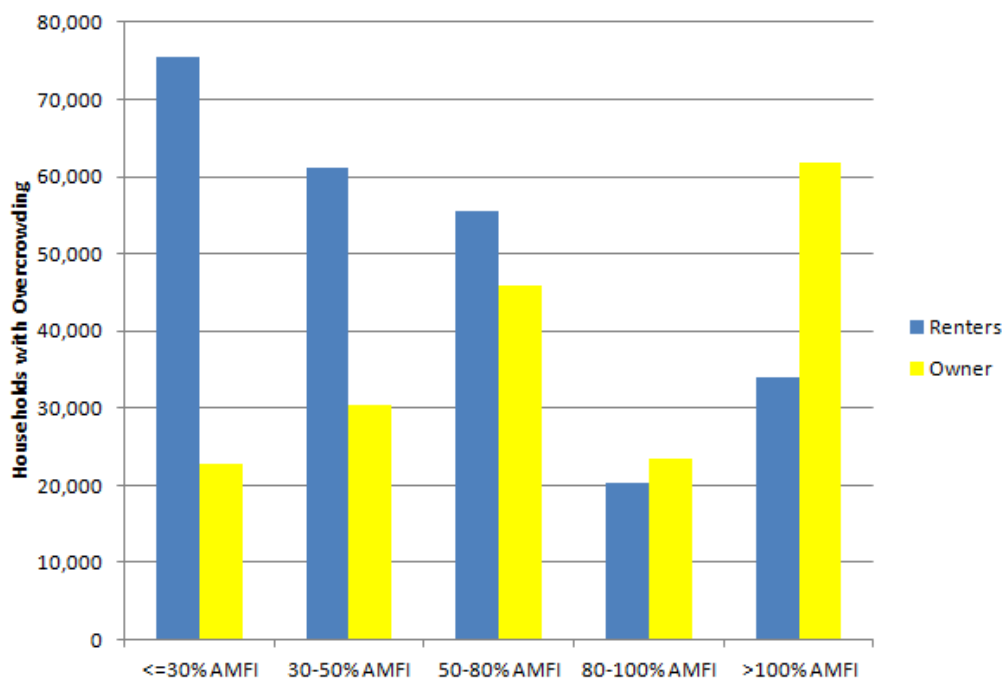
Lower-income renter households experience overcrowded conditions more frequently than higher-income renter households. Lower-income owners experience a higher percentage of overcrowding than higher-income owners. The chart shows the percentage of households experiencing overcrowding in each income category.

Number of Households Experiencing Overcrowding by Income Group, Texas

Income Categories	Over-crowded Renters	Total Renter House-holds	% of Renters with Overcrowding	Over-crowded Owners	Total Owner House-holds	% of Owners with Overcrowding
0 to 30% AMFI	75,491	734,660	10.28%	22,679	394,535	5.75%
>30 to 50% AMFI	61,213	569,125	10.76%	30,345	497,825	6.10%
>50 to 80% AMFI	55,575	684,275	8.12%	45,863	798,540	5.74%
>80 to 100% AMFI	20,269	329,195	6.16%	23,462	521,175	4.50%
>100% + AMFI	33,943	945,665	3.59%	61,751	3,411,475	1.81%
Total	246,491	3,262,920	7.55%	184,100	5,623,550	3.27%

Source: 2009-2013 CHAS, Table 3.

Renters/Owners with Overcrowding, Texas



Source: 2009-2013 CHAS, Table 3.

STATEWIDE HOUSING AVAILABILITY AND AFFORDABILITY

HOUSING SUPPLY

Approximately 68.0% of occupied units in Texas were single-family homes. Approximately 24.3% 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; 11.1% were in developments with 5 to 19 units; and 8.1% were in developments of over 20 units. The remaining 7.7% 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	1,128,978	5,801,071	6,930,049	68.0%
2 apartments	31,564	166,104	197,668	1.9%
3 or 4 apartments	34,300	292,164	326,464	3.2%
5 to 19 apartments	42,772	1,091,002	1,133,774	11.1%
20+ apartments	22,240	799,867	822,107	8.1%
Mobile home	287,261	472,940	760,201	7.5%
Other type of housing	4,722	12,204	16,926	0.2%
Total	1,551,837	8,635,352	10,187,189	100.0%

Source: 2010-2014 American Community Survey, Table DP04.

*The "Housing Units, Other" category is for any living quarters occupied as a housing unit that do not fit in the previous categories. Examples that fit in the "other" category are houseboats, railroad cars, campers and vans.

The chart below shows occupied and vacant housing. Rural areas experienced lower levels of occupancy than urban areas. The statewide occupancy rate was 88.5%.

Housing Occupancy, Texas

State	Occupied Housing Units	Vacant Housing Units	Percent of Occupied Units
Rural	1,223,519	328,318	78.8%
Urban	7,790,063	845,289	90.2%
Total	9,013,582	1,173,607	88.5%

Source: 2010-2014 American Community Survey, Table DP04.

STATEWIDE ASSISTED HOUSING INVENTORY

The following table shows the number of multifamily units in Texas financed through state and federal sources, including TDHCA, the U.S. Department of Housing and Urban Development (HUD), public housing authorities, Section 8 Housing Choice Vouchers and the United States Department of Agriculture (USDA). The table also includes local housing finance corporations (HFCs), a category which encompasses the Texas State Affordable Housing Corporation (TSAHC). Please note that because some developments layer funding from multiple sources, there may be double counting.

Because this is a count of subsidized units, the unit total only includes those units that have income restrictions and does not include market-rate units that may incidentally have affordable rents available in some developments. TDHCA units represent the active multifamily units as taken from TDHCA's internal Central Database. Section 8 Housing Choice Vouchers and public housing authority

data was obtained from HUD's Housing Authority website: <http://www.huduser.org/portal/datasets/picture/yearlydata.html#download-tab>. HUD unit data was obtained from HUD's Multifamily Assistance and Section 8 Contracts database available at <http://www.hud.gov/offices/hsg/mfh/exp/mfhdiscl.cfm>. The USDA subsidized units data was taken from its online database at http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp.

Subsidized Multifamily Units, Texas 2015

Multifamily Units	State	Percent of State Inventory
TDHCA Units	229,360	43.38%
HUD Units	57,806	10.93%
Public Housing Authority Units	54,455	10.30%
Section 8 Vouchers	163,098	30.85%
USDA Units	23,981	4.54%
Total	528,700	100.00%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

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 2016, September 2015-November 2015.

Foreclosures, Texas SFY 2016

State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	482	512	2,722	521	4,237
Urban	8,659	6,039	4,747	6,039	25,484
Total	9,141	6,551	7,469	6,560	29,721

Source: RealtyTrac, 2016.

HOUSING AFFORDABILITY

The following tables compare demand and supply of affordable housing by looking at the number of households and housing units in different affordability categories. Because higher income households often reside in units that could be affordable to the lowest income households, there are fewer units available at a cost that is affordable to lower income households. For example, 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 tables below describe the housing market interaction of various income groups and housing costs. The tables illustrate the housing market mismatch between housing units and income groups. For example, very low-income renter households (0-30% of AMFI) account for only about 21.9% of all the owner occupants of housing that is affordable to them. Additionally, 29.8% of low-income renter households (0-80% AMFI) are residing in homes that are only affordable to renters with higher income categories, implying a cost burden.

Occupied Affordable Housing Units by Income Group of Renter, Texas

Units	Renter Households making 30% AMFI or less	Renter Households making <30%-50% AMFI	Renter Households making <50-80% AMFI	Renter Households making <80%-100% AMFI	Renter Households making <100% AMFI	Total units
Units Affordable at 0-30% AMFI	156,275	62,038	49,725	19,207	51,243	338,488
Units Affordable at >30-50% AMFI	204,410	160,062	140,972	48,297	80,952	634,693
Units Affordable at >50-80% AMFI	293,248	285,532	396,181	197,059	448,690	1,620,710
Units Affordable at >80% AMFI	60,766	48,145	84,638	59,494	353,349	606,392
Total Units	714,699	555,777	671,516	324,057	934,234	3,200,283

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%	7.4%	5.9%	5.5%
Units Affordable at >30-50% AMFI	28.6%	28.8%	21.0%	14.9%	8.7%
Units Affordable at >50-80% AMFI	41.0%	51.4%	59.0%	60.8%	48.0%
Units Affordable at >80% AMFI	8.5%	8.7%	12.6%	18.4%	37.8%
Total Units	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 2009-2013 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	264,923	340,065	492,401	282,795	961,762	2,341,946
Home Value >50-80% AMFI	67,023	93,933	193,227	152,279	1,114,829	1,621,291
Home Value >80-100% AMFI	19,037	23,356	44,139	35,268	444,604	566,404
Home Value >100% AMFI	33,321	32,405	61,584	46,996	875,195	1,049,501
Total Units	384,304	489,759	791,351	517,338	3,396,390	5,579,142

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	68.94%	69.44%	62.22%	54.66%	28.32%
Home Value >30-50% AMFI	17.44%	19.18%	24.42%	29.44%	32.82%
Home Value >50-80% AMFI	4.95%	4.77%	5.58%	6.82%	13.09%
Home Value >80% AMFI	8.67%	6.62%	7.78%	9.08%	25.77%
Total Units	100.00%	100.00%	100.00%	100.00%	100.00%

Source: 2009-2013 CHAS, Table 15A, 15B.

LOCAL ASSESSMENT OF NEED

TDHCA acknowledges that the greatest understanding of housing needs is found at the local level. TDHCA continuously strives to improve the methods used to identify regional affordable housing needs.

PUBLIC ASSISTANCE REQUEST INVENTORY

TDHCA compiled a Public Assistance Request Inventory, which consists of communication from members of the general public using the following contact methods:

- calls made to TDHCA's Automated Call Distribution line (800-525-0657);
- emails sent to TDHCA's general mailbox (info@tdhca.state.tx.us);
- letters mailed to the agency's mailing address (PO Box 13941, Austin, TX 78711); and,
- web requests for assistance from <http://www.tdhca.state.tx.us/texans.htm>.

The first three methods of contact require TDHCA staff to assist individually. The fourth method is automated and does not entail individual attention for the requestor. The numbers below do not encompass the entire range of requests for assistance; if a geographic location was not specified by the individual seeking assistance, it could not be included in the Inventory.

Below are explanations of types of requests received:

1. **Barrier Removal:** modifications to improve accessibility for persons with disabilities.
2. **Emergency Assistance:** short-term rental payments, often used to prevent eviction and various social services for poverty-level households.
3. **Foreclosure Prevention:** problems with banks or servicers or problems making mortgage payments. This type of request was only captured through calls, emails or direct mail and not through web requests. (Please note that TDHCA does not provide mediation with banks or servicers or mortgage assistance payments.)
4. **Homebuyer Assistance:** down payment assistance, low-interest loans and mortgage credit certificates.
5. **Homebuyer Education:** education for first-time homebuyers on the process and responsibilities for buying and owning a home.
6. **Legal Assistance:** landlord/tenant disputes, contract for deeds issuances and other legal matters. This type of request was only captured through calls, emails or direct mail and not through web requests. (Please note that TDHCA does not provide legal assistance to the public.)
7. **Other Housing-Related Assistance:** referrals to realtors, 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 Section 8 HCV and Section 811 programs run by TDHCA in limited areas of the State.

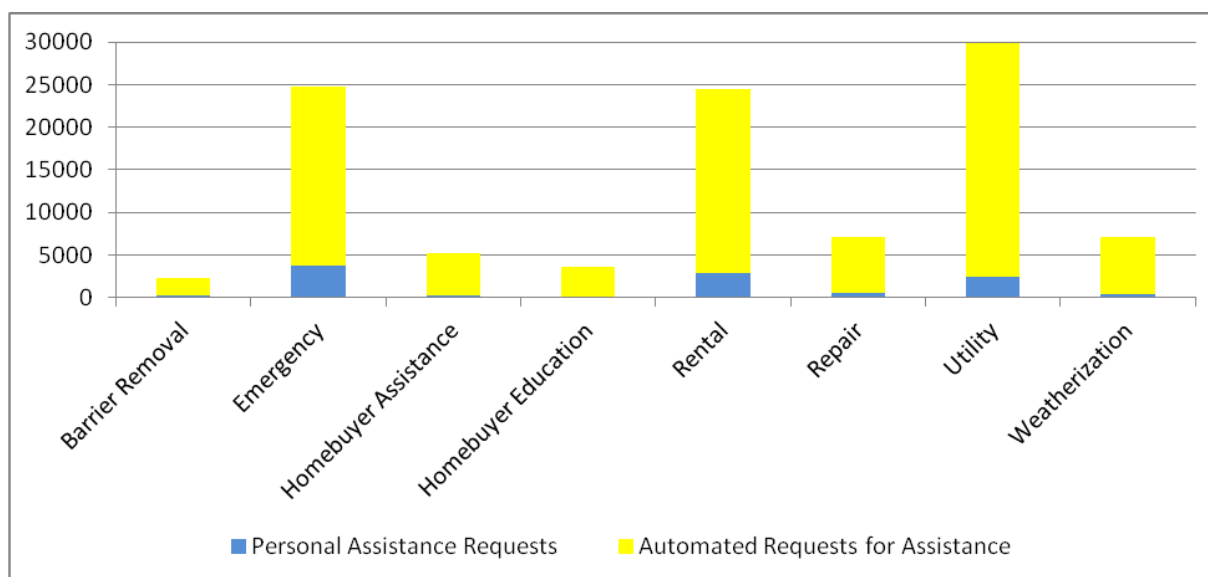
Public Assistance Requests, SFY 2016

Type of Requests	Personal Requests for Assistance	Automated Requests for Assistance	Total
Barrier Removal	220	2,054	2,274
Emergency	3,718	21,047	24,765
Foreclosure Prevention	192	n/a	192
Homebuyer Assistance	267	4,902	5,169
Homebuyer Education	n/a	3,577	3,577
Legal	476	n/a	476
Other	1,029	n/a	1,029
Rental Assistance	2,806	21,652	24,458
Repair	496	6,590	7,086
Utility	2,434	27,373	29,807
Weatherization	384	6,662	7,046

Source: TDHCA Public Assistance Inventory, 2016.

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 requestor. During SFY 2016, TDHCA received 9,843 unduplicated Personal and 93,857 Automated Requests for Assistance for a total of 103,700 unduplicated requests. 62.5% (64,859) of all unduplicated requests lacked geographic data and are not included in the regional breakdowns.

Public Assistance Requests, SFY 2016



Source: TDHCA Public Assistance Inventory, 2016.
(Requests under 1,100 were not included in the graph.)

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 requests are emergency assistance, followed by rental assistance and then utility assistance.

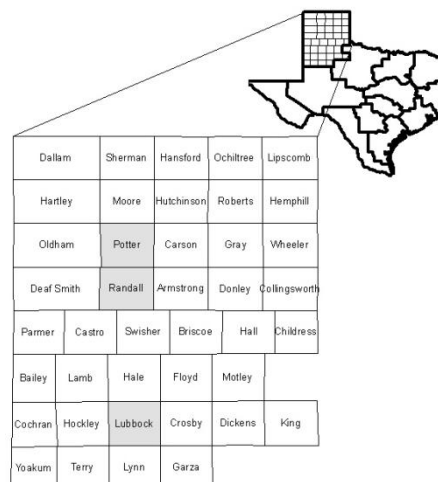
REGION 1

This 41-county region in the northwest corner of Texas encompasses over 39,500 square miles of the Panhandle. Region 1 has approximately 3.3% of Texas' population.

Region 1 Population

Region 1	Rural	Urban	Total
Population	319,151	533,662	852,813

Source: 2010-2014 American Community Survey, Table B01003.



Approximately 62.6% of the Region 1 residents live in the urban areas, including Amarillo and Lubbock and the rest live in rural areas of the region. In the map of Region 1 (right), the shaded counties have MSAs with urban places, as defined by OMB and Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 1. Of the 195,924 individuals living below 125% of poverty, 63.4% live in urban areas and the remaining 36.6% live in rural areas.

Region 1 Persons at 125% of Poverty

Region 1	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	71,748	303,353	23.65%	835,062	8.59%
Urban	124,176	513,011	24.21%	5,074,828	2.45%
Total	195,924	816,364	24.00%	5,909,890	3.32%

Source: 2010-2014 American Community Survey, Table S1701.

The table below depicts the income breakdown of the households in the region. Region 1 has a lower percentage of extremely low-income rural households than the State as a whole, but a higher percentage of extremely low-income urban households than the State as a whole.

Region 1 Household Incomes

Household (HH) Incomes	Urban HH Region 1	% of Urban HH in Region	% of Urban HH in State	Rural Region 1	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	26,385	13.45%	12.72%	11,249	10.32%	12.65%
>30 to 50% AMFI	23,575	12.02%	11.82%	14,035	12.88%	13.19%
>50 to 80% AMFI	34,405	17.54%	16.52%	19,918	18.28%	17.71%
>80 to 100% AMFI	19,285	9.83%	9.53%	10,938	10.04%	9.79%
>100% + AMFI	92,450	47.14%	49.41%	52,825	48.48%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 1 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Region 1 elderly persons make up 12.5% of the region's population, compared to statewide elderly population which makes up 10.9% the State's total population. Elderly persons in Region 1 make up 3.7% of the statewide total elderly population.

Region 1 Elderly Persons

Region 1	Elderly Persons	Regional Population	% of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional % of Statewide Elderly Population
Rural	44,355	319,151	13.9%	576,760	7.7%
Urban	62,272	533,662	11.7%	2,272,997	2.7%
Total	106,627	852,813	12.5%	2,849,757	3.7%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, persons with disabilities account for approximately 12.9% of the population in Region 1. Of this total, approximately 61.8% are residing in urban areas, with the remaining 38.2% in rural areas.

Region 1 Persons with Disabilities

Region 1	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	40,817	305,346	13.4%	551,084	7.4%
Urban	65,972	522,866	12.6%	2,417,958	2.7%
Total	106,789	828,212	12.9%	2,969,042	3.6%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

The number of people with HIV/AIDS as compared to Region 1's population is 0.12%, which is lower than the statewide percentage of 0.30%. Region 1 has the second smallest number of persons with HIV/AIDS, second only to Regions 2 and 12, which are tied at 0.10%.

Region 1 Persons Living with HIV/AIDS, 2015

Region 1	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	199	319,151	0.06%
Urban	845	533,662	0.16%
Total	1,044	852,813	0.12%

Source: Texas Department of State Health Services, 2016.

VETERANS

Veterans in Region 1 constitute 7.8% of the population over age 18. Veterans in Region 1 make up 3.1% of the statewide total veteran population.

Region 1 Veteran Population

Region 1	Veteran Population	Non-Veteran Population 18 years and older	% of Veterans to Total Population 18 and older	Regional % of Statewide Veteran Population
Rural	16,483	213,905	7.2%	6.4%
Urban	32,562	366,734	8.2%	2.5%
Total	49,045	580,639	7.8%	3.1%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 1, victims of domestic violence comprise 1.1% of the region's population compared to the statewide rate of 0.8%. Incidents of violence in Region 1 make up 4.5% of the statewide total.

Region 1 Domestic Violence Incidents and Victims, 2015

Region 1	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	1,683	8.4%	1,870	0.6%
Urban	7,167	4.1%	7,809	1.5%
Total	8,850	4.5%	9,679	1.1%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 1, 67.5% of youth aging out of foster care live in urban areas, while the remaining 32.5% live in rural areas. Region 1 has 6.5% of the statewide number of youth aging out of foster care.

Region 1 Youth Aging Out of Foster Care, SFY 2015

Region 1	Youth Aging Out of Foster Care	Regional % of Statewide Youth Aging Out of Foster Care
Rural	25	10.9%
Urban	52	5.5%
Total	77	6.5%

Source: Texas Department of Family and Protective Services, 2015.

REGION 1 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 37.8% of the housing units in Region 1 are in rural areas and 62.2% are in urban areas. Of the total housing stock, approximately 74.6% are single-family units, 16.9% are multifamily units, 8.4% are mobile homes, and 0.1% are other types of housing.

Region 1 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	107,529	154,596	262,125
Housing units, 2 units	2,523	7,241	9,764
Housing units, 3 to 4 units	2,958	6,725	9,683
Housing units, 5 to 19 units	3,451	18,406	21,857
Housing units, 20 or more units	1,611	16,616	18,227
Housing units, mobile home	14,641	14,856	29,497
Housing units, other	114	249	363
Total housing units	132,827	218,689	351,516

Source: 2010-2014 American Community Survey, Table DP04

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional housing supply is 4.8%, which is lower than the statewide average of 5.2%.

Region 1 Assisted Multifamily Units

Multifamily Units	Region Total	% of assisted units in Region	% of units to State Total
TDHCA Units	5,946	35.13%	2.59%
HUD Units	2,023	11.95%	3.50%
Public housing authority Units	1,729	10.21%	3.18%
Section 8 Vouchers	5,836	34.48%	3.58%
USDA Units	1,394	8.23%	5.81%
Total	16,928	100.00%	3.20%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 1 with housing problems, 82.3% are cost burdened, 3.9% are substandard and 13.8% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 31.4% of all households.

Urban Region 1 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	18,395	15,055	12,975	3,560	4,385	54,350
Lacking Kitchen and/or Plumbing	495	705	345	198	560	2,300
Overcrowding	1,370	1,183	1,705	910	1,930	7,098

Rural Region 1 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	6,701	5,642	3,861	1,081	1,390	18,615
Lacking Kitchen and/or Plumbing	291	365	122	72	323	1,169
Overcrowding	586	1,038	1,118	782	1,630	5,154

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 1 has 2.9% of the State's number total of homeowners who received notices of public auction.

Region 1 Notices of Public Auction, SFY 2016

Region 1	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	6	17	128	36	187
Urban	221	177	67	198	663
Total	227	194	195	234	850

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 818 public assistance requests seeking assistance in Region 1, which accounted for 0.8% of total requests.

Region 1 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	7	14	21
Emergency	43	145	188
Foreclosure Prevention	0	1	1
Homebuyer Assistance	13	22	35
Homebuyer Education	4	6	10
Legal	3	7	10
Other	1	12	13
Rental Assistance	58	129	187
Repair	31	47	78
Utility	116	148	264
Weatherization	29	57	86
Total Individual Requests	291	527	818

Source: TDHCA Public Request Inventory, 2016.

REGION 2

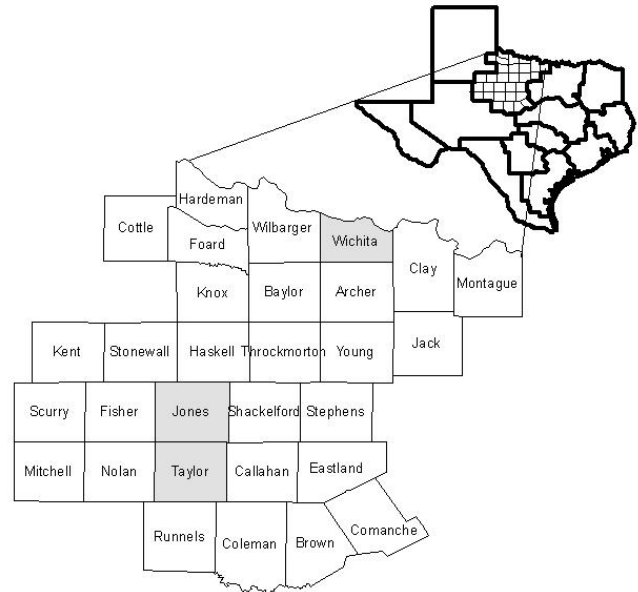
Region 2 surrounds the metropolitan areas of Wichita Falls and Abilene. Region 2 has 2.1% of the State's population.

Region 2 Population

Region 2	Rural	Urban	Total
Population	264,358	285,454	549,812

Source: 2010-14 American Community Survey, Tbl B01003.

Approximately 51.9% of Region 2 residents live in urban areas. In the map of Region 2, the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 2. Of the 120,962 individuals living below 125% poverty, 50.9% live in urban areas and the remaining 49.1% live in rural areas. Compared to the State as a whole, Region 2 has the second lowest share (2.1%), of the number of persons living at 125% poverty out of all 13 regions, second only to Region 12 (1.8%).



Region 2 Persons at 125% of Poverty

Region 2	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	59,443	251,564	23.63%	835,062	7.12%
Urban	61,519	259,322	23.72%	5,074,828	1.21%
Total	120,962	510,886	23.68%	5,909,890	2.05%

Source: 2010-2014 American Community Survey, Table S1701.

The table below depicts the income breakdown of Region 2. Region 2's urban areas have a smaller percentage of extremely low-income households than the State as a whole, but the region closely mirrors the State's income distribution in the rural areas.

Region 2 Household Incomes

Household (HH) Incomes	Urban HH Region 2	% of Urban HH In Region	% of Urban HH In State	Rural Region 2	% of Rural HH In Region	% of Rural HH In State
0 to 30% AMFI	10,990	10.64%	12.72%	11,755	11.77%	12.65%
>30 to 50% AMFI	10,900	10.56%	11.82%	12,940	12.96%	13.19%
>50 to 80% AMFI	17,265	16.72%	16.52%	18,299	18.32%	17.71%
>80 to 100% AMFI	10,125	9.81%	9.53%	9,992	10.00%	9.79%
>100% + AMFI	53,975	52.27%	49.41%	46,895	46.95%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 2 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Elderly persons in Region 2 account for 16.1% of the population. Region 2 has the lowest percentage of elderly persons in Urban areas compared to the statewide Elderly population.

Region 2 Elderly Persons

Region 2	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	49,936	264,358	18.9%	576,760	8.7%
Urban	38,484	285,454	13.5%	2,272,997	1.7%
Total	88,420	549,812	16.1%	2,849,757	3.1%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 2, persons with disabilities account for approximately 16.4% of the population. Of this total, approximately 48.2% are residing in urban areas, with the remaining 51.8% in rural areas.

Region 2 Persons with Disabilities

Region 2	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	43,677	254,091	17.2%	551,084	7.9%
Urban	40,672	259,975	15.6%	2,417,958	1.7%
Total	84,349	514,066	16.4%	2,969,042	2.8%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

Region 2 is tied with Region 12 for the smallest number of persons with HIV/AIDS compared to the other regions. The number of people with HIV/AIDS as compared to Region 2's population is 0.10%, which is lower than the statewide percentage of 0.30%.

Region 2 Persons Living with HIV/AIDS, 2015

Region 2	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	187	264,358	0.07%
Urban	352	285,454	0.12%
Total	539	549,812	0.10%

Source: Texas Department of State Health Services, 2016.

VETERANS

Of the population over 18 in Region 2, 11.2% are veterans. Region 2 has 3.0% of the statewide veteran population, which is the second lowest percentage. Region 12 has the lowest percentage of the statewide population of veterans.

Region 2 Veteran Population

Region 2	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	20,534	182,263	10.1%	8.0%
Urban	25,639	184,075	12.2%	2.0%
Total	46,173	366,338	11.2%	3.0%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 2, victims of domestic violence comprise 1.0% of the region's population compared to the statewide rate of 0.8%. Incidents of violence in Region 2 make up 2.7% of the statewide total.

Region 2 Domestic Violence Incidents and Victims, 2015

Region 2	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	1,254	6.3%	1,364	0.5%
Urban	3,974	2.3%	4,078	1.4%
Total	5,228	2.7%	5,442	1.0%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 2, 51.9% of youth aging out of foster care live in urban areas, while the remaining 48.1% live in rural areas. Region 2 has 2.3% of the statewide number of youth aging out of foster care.

Region 2 Youth Aging out of Foster Care, SFY 2015

Region 2	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	13	5.7%
Urban	14	1.5%
Total	27	2.3%

Source: Texas Department of Family and Protective Services, 2015.

REGION 2 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 52.8% of the housing units in Region 2 are in rural areas and 47.2 % are in urban areas. Of the total housing stock, approximately 76.5 % are single-family units, 13.3% are multifamily units, 10.0% are mobile homes and 0.1% are other types of housing.

Region 2 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	103,983	89,588	193,571
Housing units, 2 units	3,481	3,204	6,685
Housing units, 3 to 4 units	2,462	4,241	6,703
Housing units, 5 to 19 units	2,669	10,797	13,466
Housing units, 20 or more units	1,829	4,930	6,759
Housing units, mobile home	19,002	6,521	25,523
Housing units, other	205	105	310
Total housing units	133,631	119,386	253,017

Source: 2010-2014 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional housing supply is 5.7%, which is higher than the statewide average of 5.2%.

Region 2 Assisted Multifamily Units

Multifamily Units	Region Total	% of assisted units in Region	% of units to State Total
TDHCA Units	4,001	27.58%	1.74%
HUD Units	1,401	9.66%	2.42%
Public housing authority Units	3,899	26.88%	7.16%
Section 8 Vouchers	3,511	24.21%	2.15%
USDA Units	1,693	11.67%	7.06%
Total	14,505	100.00%	2.74%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 2 with housing problems, 86.2% are cost burdened, 5.2% are substandard and 8.7% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 29.6% of all households.

Urban Region 2 Households with Housing Problem

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	7,725	6,660	7,019	2,225	2,579	26,180
Lacking Kitchen and/or Plumbing	284	249	364	69	263	1,230
Overcrowding	309	465	639	207	583	2,203

Rural Region 2 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	6,842	6,089	4,463	1,030	1,584	19,998
Lacking Kitchen and/or Plumbing	362	224	308	138	497	1,535
Overcrowding	351	412	538	256	875	2,432

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 2 has 2.2% of the State's total number of homeowners who received notices of public auction.

Region 2 Notices of Public Auction, SFY 2016

Region 2	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	27	39	185	53	304
Urban	114	136	3	104	357
Total	141	175	188	157	661

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 864 public assistance requests seeking assistance in Region 2, which accounted for 0.8% of total requests.

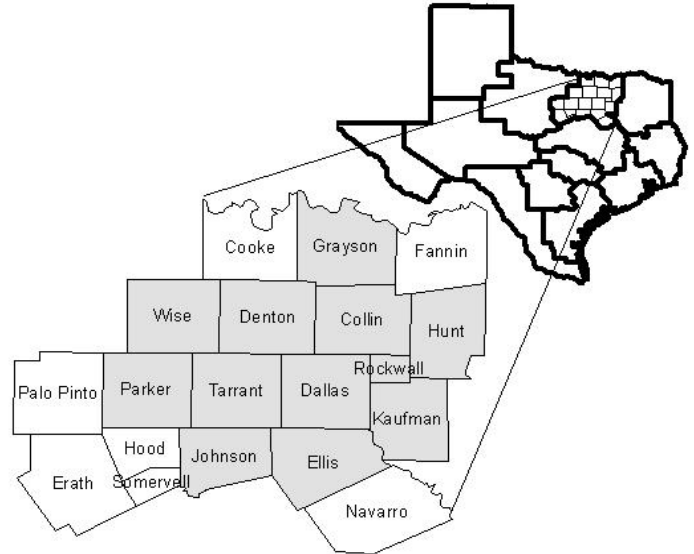
Region 2 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	18	10	28
Emergency	82	83	165
Foreclosure Prevention	0	3	3
Homebuyer Assistance	34	16	50
Homebuyer Education	17	10	27
Legal	4	5	9
Other	5	2	7
Rental Assistance	70	51	121
Repair	78	46	124
Utility	126	113	239
Weatherization	94	46	140
Total Individual Requests	509	355	864

Source: TDHCA Public Request Inventory, 2016.

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. It is the most populous region in Texas.



Region 3 Population

Region 3	Rural	Urban	Total
Population	248,647	6,764,073	7,012,720

Source: 2010-14 American Community Survey, Tbl B01003

Approximately 96.5% of Region 3 residents reside in urban areas. In the map of Region 3 (right), the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 3. Of the 1,385,600 individuals below 125% of poverty, approximately 95.9% live in urban areas and the remaining 4.1% in rural areas. Compared to the State as a whole, Region 3 has the highest share (23.5%) of the number of persons living at 125% poverty out of all 13 regions.

Region 3 Persons at 125% of Poverty

Region 3	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	57,123	240,746	23.73%	835,062	6.84%
Urban	1,328,477	6,672,615	19.91%	5,074,828	26.18%
Total	1,385,600	6,913,361	20.04%	5,909,890	23.45%

Source: 2010-2014 American Community Survey, Table S1701.

The table below depicts the income breakdown for Region 3. Region 3 closely mirrors the State's income distribution in both the urban and rural areas.

Region 3 Household Incomes

Household (HH) Incomes	Urban HH Region 3	% of Urban HH in Region	% of Urban HH in State	Rural Region3	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	283,265	12.02%	12.72%	11,180	12.08%	12.65%
>30 to 50% AMFI	274,430	11.65%	11.82%	10,805	11.67%	13.19%
>50 to 80% AMFI	393,185	16.69%	16.52%	16,220	17.52%	17.71%
>80 to 100% AMFI	229,125	9.72%	9.53%	8,735	9.44%	9.79%
>100% + AMFI	1,176,105	49.92%	49.41%	45,625	49.29%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 3 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Region 3 elderly persons make up 9.9% of the region's population, compared to the statewide aging population which makes up 10.9% the State's total population. Elderly persons in Region 3 make up 24.3% of the statewide total aging population, which is the biggest share of aging households in the State.

Region 3 Elderly Persons

Region 3	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	43,214	248,647	17.4%	576,760	7.5%
Urban	649,046	6,764,073	9.6%	2,272,997	28.6%
Total	692,260	7,012,720	9.9%	2,849,757	24.3%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 3, persons with disabilities account for approximately 9.7% of the population. Of this total, approximately 94.4% are residing in urban areas, with the remaining 5.6% in rural areas.

Region 3 Persons with Disabilities

Region 3	Persons with Disabilities	Total Civilian Noninstitutionalized Population*	% of Persons with a Disability to Regional Population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	37,597	242,846	15.5%	551,084	6.8%
Urban	638,347	6,707,778	9.5%	2,417,958	26.4%
Total	675,944	6,950,624	9.7%	2,969,042	22.8%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 25,469 persons living with HIV/AIDS in Region 3. Region 3 has the second largest number of persons with HIV/AIDS and the region's percentage of persons living with HIV/AIDS compared to total population (0.36%) is larger than the statewide percentage of persons with HIV/AIDS compared to population.

Region 3 Persons Living with HIV/AIDS, 2015

Region 3	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	234	248,647	0.09%
Urban	25,235	6,764,073	0.37%
Total	25,469	7,012,720	0.36%

Source: Texas Department of State Health Services, 2016.

VETERANS

Of the population over 18 in Region 3, 7.6% are veterans. Region 3 has the highest share of veterans statewide, at 25.0%.

Region 3 Veteran Population

Region 3	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	20,665	169,877	10.8%	8.1%
Urban	369,994	4,549,899	7.5%	28.3%
Total	390,659	4,719,776	7.6%	25.0%

Source: 2010-2014 American Community Survey, Table S2101

VICTIMS OF DOMESTIC VIOLENCE

In Region 3, victims of domestic violence comprise 0.7% of the region's population compared to the statewide rate of 0.8%. Incidents of violence in Region 3 make up 23.6% of the statewide total.

Region 3 Domestic Violence Incidents and Victims, 2015

Region 3	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	1,569	7.8%	1,641	0.7%
Urban	44,403	25.4%	47,245	0.7%
Total	45,972	23.6%	48,886	0.7%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 3, 94.9% of youth aging out of foster care live in urban areas, while the remaining 5.1% live in rural areas. Region 3 has the second highest number of youth aging out of foster care compared to the other regions, second only to Region 6.

Region 3 Youth Aging Out of Foster Care, SFY 2015

Region 3	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	11	4.8%
Urban	203	21.3%
Total	214	18.1%

Source: Texas Department of Family and Protective Services, 2015.

REGION 3 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 4.1% of the housing units in Region 3 are in rural areas and 95.9% are in urban areas. Of the total housing stock, approximately 67.0% are single-family units, 28.4% are multifamily units, 4.5% are mobile homes and 0.1% are other types of housing.

Region 3 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	78,870	1,743,304	1,822,174
Housing units, 2 units	2,472	33,680	36,152
Housing units, 3 to 4 units	2,780	86,113	88,893
Housing units, 5 to 19 units	4,026	379,356	383,382
Housing units, 20 or more units	2,416	261,889	264,305
Housing units, mobile home	21,502	100,692	122,194
Housing units, other	400	1,991	2,391
Total housing units	112,466	2,607,025	2,719,491

Source: 2010-2014 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional housing supply is 4.9%, which is lower than the statewide average of 5.2%.

Region 3 Assisted Multifamily Units

Multifamily Units	Region Total	% of assisted units in Region	% of units to State Total
TDHCA Units	62,248	46.83%	27.14%
HUD Units	10,661	8.02%	18.44%
Public housing authority Units	7,225	5.44%	13.27%
Section 8 Vouchers	48,969	36.84%	30.02%
USDA Units	3,816	2.87%	15.91%
Total	132,919	100.00%	25.14%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 3 with housing problems, 84.3% are cost burdened, 2.9% are substandard and 12.8% are overcrowded. Additionally, households at or below 30% are the largest income category with housing problems, comprising 28.0% of all households.

Urban Region 3 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	197,040	182,965	166,344	54,025	88,645	688,985
Lacking Kitchen and/or Plumbing	5,680	4,333	4,774	1,949	6,085	22,825
Overcrowding	24,845	25,035	26,584	10,206	17,719	104,389

Rural Region 3 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	7,640	5,294	5,450	1,350	2,489	22,235
Lacking Kitchen and/or plumbing	319	373	274	244	530	1,735
Overcrowding	587	613	607	359	974	3,140

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 3 has 26.8% of the State's total number of homeowners who received notices of public auction.

Region 3 Notices of Public Auction, SFY 2016

Region 3	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	57	47	88	42	234
Urban	2,428	2,046	1,461	1,782	7,717
Total	2,485	2,093	1,549	1,824	7,951

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 11,459 public assistance requests seeking assistance in Region 3, which accounted for 11.1% of total requests.

Region 3 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	14	273	287
Emergency	108	3,108	3,216
Foreclosure Prevention	0	44	44
Homebuyer Assistance	24	612	636
Homebuyer Education	11	423	434
Legal	4	108	112
Other	4	69	73
Rental Assistance	156	3,083	3,239
Repair	68	831	899
Utility	176	2,279	2,455
Weatherization	61	857	918
Total Individual Requests	592	10,867	11,459

Source: TDHCA Public Request Inventory, 2016

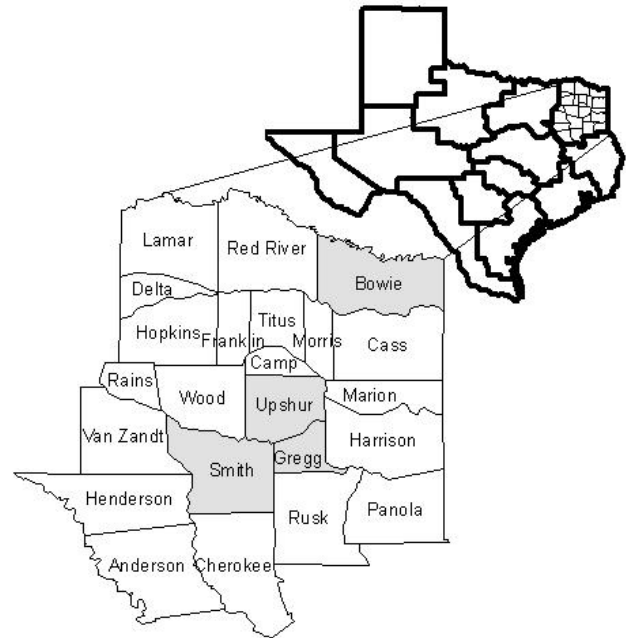
REGION 4

Region 4, located in the northeast corner of the state, surrounds the urban areas of Texarkana, Longview-Marshall and Tyler. It has 4.3% of the State's population.

Region 4 Population

Region 4	Rural	Urban	Total
Population	651,081	470,390	1,121,471

Source: 2010-14 American Community Survey, Tbl B01003



Region 4 is mainly rural; 58.1% of the population lives in rural areas. In the map of Region 4 (right), the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 4. Of the 258,962 individuals living below 125% poverty, approximately 59.1% live in rural areas and the remaining 40.9% live in urban areas. Compared to the State as a whole, Region 4 has the highest share (18.3%) of the number of persons living at 125% poverty in rural places out of all 13 regions.

Region 4 Persons at 125% of Poverty

Region 4	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	153,139	620,748	24.67%	835,062	18.34%
Urban	105,823	455,866	23.21%	5,074,828	2.09%
Total	258,962	1,076,614	24.05%	5,909,890	4.38%

Source: 2010-2014 American Community Survey, Table S1701.

According to the table below, Region 4 has a lower percentage of households with extremely low incomes and low-incomes in both Urban and Rural areas, compared to the State as a whole.

Region 4 Household Incomes

Household (HH) Incomes	Urban HH Region 4	% of Urban HH in Region	% of Urban HH in State	Rural Region 4	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	19,600	11.41%	12.72%	27,715	11.88%	12.65%
>30 to 50% AMFI	19,930	11.60%	11.82%	30,935	13.26%	13.19%
>50 to 80% AMFI	28,770	16.74%	16.52%	39,405	16.89%	17.71%
>80 to 100% AMFI	15,270	8.89%	9.53%	23,864	10.23%	9.79%
>100% + AMFI	88,280	51.37%	49.41%	111,340	47.73%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 4 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Elderly persons in Region 4 account for 16.3% of the population, which is the highest percentage of aging persons compared to the region's population. Aging persons in Region 4 make up 6.4% of the statewide total aging population.

Region 4 Elderly Persons

Region 4	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	113,527	651,081	17.4%	576,760	19.7%
Urban	68,963	470,390	14.7%	2,272,997	3.0%
Total	182,490	1,121,471	16.3%	2,849,757	6.4%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 4, persons with disabilities account for approximately 16.0% of the population. Of this total, approximately 38.7% are residing in urban areas, with the remaining 61.3% in rural areas.

Region 4 Persons with Disabilities

Region 4	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	106,244	624,949	17.0%	551,084	19.3%
Urban	67,073	460,480	14.6%	2,417,958	2.8%
Total	173,317	1,085,429	16.0%	2,969,042	5.8%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 1,907 persons living with HIV/AIDS in Region 4. The number of people with HIV/AIDS as compared to Region 4's population is 0.17%, which is lower than the statewide percentage of 0.30%.

Region 4 Persons Living with HIV/AIDS, 2015

Region 4	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	823	651,081	0.13%
Urban	1,084	470,390	0.23%
Total	1,907	1,121,471	0.17%

Source: Texas Department of State Health Services, 2016.

VETERANS

Of the population over 18 in Region 4, 10.1% are veterans. Region 4 has 5.5% of the statewide veteran population.

Region 4 Veteran Population

Region 4	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	52,079	446,836	10.4%	20.4%
Urban	34,230	318,056	9.7%	2.6%
Total	86,309	764,892	10.1%	5.5%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 4, victims of domestic violence comprise 0.7% of the region's population compared to the statewide rate of 0.8%. Incidents of violence in Region 4 make up 3.7% of the statewide total.

Region 4 Domestic Violence Incidents and Victims, 2015

Region 4	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	3,606	18.0%	3,814	0.6%
Urban	3,652	2.1%	3,857	0.8%
Total	7,258	3.7%	7,671	0.7%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 4, 34.7% of youth aging out of foster care live in urban areas, while the remaining 65.3% live in rural areas. Region 4 has 6.1% of the statewide number of youth aging out of foster care.

Region 4 Youth Aging out of Foster Care, SFY 2015

Region 4	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	47	20.5%
Urban	25	2.6%
Total	72	6.1%

Source: Texas Department of Family and Protective Services, 2015.

REGION 4 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 59.7% of the housing units in Region 4 are in rural areas and 40.3% are in urban areas. Of the total housing stock, approximately 71.1% are single-family units, 11.2% are multifamily units, 17.4% are mobile homes and 0.3% are other types of housing.

Region 4 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	206,539	135,285	341,824
Housing units, 2 units	4,581	6,348	10,929
Housing units, 3 to 4 units	6,042	5,438	11,480
Housing units, 5 to 19 units	6,887	13,728	20,615
Housing units, 20 or more units	3,340	7,573	10,913
Housing units, mobile home	58,661	24,852	83,513
Housing units, other	885	513	1,398
Total housing units	286,935	193,737	480,672

Source: 2010-2014 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional housing inventory is 5.0%, which is lower than the statewide average of 5.2%.

Region 4 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	7,618	31.72%	3.32%
HUD Units	3,051	12.70%	5.28%
Public housing authority Units	3,138	13.07%	5.76%
Section 8 Vouchers	6,594	27.46%	4.04%
USDA Units	3,615	15.05%	15.07%
Total	24,016	100.00%	4.54%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 4 with housing problems, 82.4% are cost burdened, 5.0% are substandard and 12.6% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 29.1% of all households.

Urban Region 4 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	12,825	11,670	11,740	3,200	4,465	43,920
Lacking Kitchen and/or Plumbing	530	579	545	325	310	2,280
Overcrowding	939	1,064	1,904	814	1,560	6,281

Rural Region 4 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	16,970	14,890	10,694	3,963	4,952	51,465
Lacking Kitchen and/or Plumbing	1,146	618	686	258	833	3,512
Overcrowding	1,298	1,783	1,943	819	2,490	8,333

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 4 has 4.1% of the State's total number of homeowners who received notices of public auction.

Region 4 Notices of Public Auction, SFY 2016

Region 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	143	130	273	133	679
Urban	176	173	38	140	527
Total	319	303	311	273	1,206

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 2,851 public assistance requests seeking assistance in Region 4, which accounted for 2.7% of total requests.

Region 4 Public Assistance Request Inventory, SFY 2016

Types of Requests	Urban	Rural	Total
Barrier Removal	60	34	94
Emergency	350	267	617
Foreclosure Prevention	9	5	14
Homebuyer Assistance	73	54	127
Homebuyer Education	14	22	36
Legal	12	10	22
Other	19	5	24
Rental Assistance	350	259	609
Repair	231	101	332
Utility	492	334	826
Weatherization	213	107	320
Total Individual Requests	1,727	1,124	2,851

Source: TDHCA Public Request Inventory, 2016.

REGION 5

Region 5 encompasses a 15-county area in east Texas including the urban areas of Beaumont and Port Arthur. This region has 3.0% of the State's population.



Region 5 Population

Region 5	Rural	Urban	Total
Population	379,673	390,418	770,091

Source: 2010-14 American Community Survey, Tbl B01003

Approximately 50.7% of Region 5 residents live in urban areas. In the map of Region 5 (above), the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 5. Of the 186,472 individuals living below 125% of poverty, approximately 48.0% live in urban areas and the remaining 52.0% live in rural areas.

Region 5 Persons at 125% of Poverty

Region 5	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	96,992	359,062	27.01%	835,062	11.61%
Urban	89,480	372,605	24.01%	5,074,828	1.76%
Total	186,472	731,667	25.49%	5,909,890	3.16%

Source: 2010-2014 American Community Survey, Table S1701.

The table below depicts the income breakdown of Region 5. Region 5's rural areas have a higher percentage of extremely low-income households and a lower percentage of higher-income households than the State as a whole.

Region 5 Household Incomes

Household (HH) Incomes	Urban HH Region 5	% of Urban HH in Region	% of Urban HH in State	Rural Region 5	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	20,015	13.86%	12.72%	18,465	13.47%	12.65%
>30 to 50% AMFI	18,385	12.73%	11.82%	17,895	13.06%	13.19%
>50 to 80% AMFI	22,965	15.90%	16.52%	25,820	18.84%	17.71%
>80 to 100% AMFI	13,885	9.61%	9.53%	13,589	9.92%	9.79%
>100% + AMFI	69,170	47.90%	49.41%	61,265	44.71%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 5 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Region 5 elderly persons make up 15.2% of the region's population, compared to the statewide aging population which makes up 10.9% the State's total population. Elderly persons in Region 5 make up 4.1% of the statewide total aging population.

Region 5 Elderly Persons

Region 5	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	64,646	379,673	17.0%	576,760	11.2%
Urban	52,679	390,418	13.5%	2,272,997	2.3%
Total	117,325	770,091	15.2%	2,849,757	4.1%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 5, persons with disabilities account for approximately 17.6% of the population. Of this total, approximately 44.8% are residing in urban areas, with the remaining 55.2% in rural areas.

Region 5 Persons with Disabilities

Region 5	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	71,806	365,161	19.7%	551,084	13.0%
Urban	58,368	375,044	15.6%	2,417,958	2.4%
Total	130,174	740,205	17.6%	2,969,042	4.4%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 1,628 persons living with HIV/AIDS in Region 5. The number of people with HIV/AIDS as compared to Region 5's population is 0.21%, which is lower than the statewide percentage of 0.30%.

Region 5 Persons with HIV/AIDS, 2015

Region 5	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	607	379,673	0.16%
Urban	1,021	390,418	0.26%
Total	1,628	770,091	0.21%

Source: Texas Department of State Health Services, 2016.

VETERANS

Of the population over 18 in Region 5, 9.8% are veterans. Region 5 has 3.7% of the statewide veteran population.

Region 5 Veteran Population

Region 5	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	30,544	260,336	10.5%	11.9%
Urban	26,931	268,849	9.1%	2.1%
Total	57,475	529,185	9.8%	3.7%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 5, victims of domestic violence comprise 1.1% of the region's population compared to the statewide rate of 0.8%. Incidents of violence in Region 5 make up 4.0% of the statewide total.

Region 5 Domestic Violence Incidents and Victims, 2015

Region 5	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	2,511	12.5%	2,820	0.7%
Urban	5,337	3.1%	5,528	1.4%
Total	7,848	4.0%	8,348	1.1%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 5, 33.3% of youth aging out of foster care live in urban areas, while the remaining 66.7% live in rural areas. Region 5 has 2.8% of the statewide number of youth aging out of foster care.

Region 5 Youth Aging out of Foster Care, SFY 2015

Region 5	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	22	9.6%
Urban	11	1.2%
Total	33	2.8%

Source: Texas Department of Family and Protective Services, 2015.

REGION 5 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 52.2% of the housing units in Region 5 are in rural areas and 47.8% are in urban areas. Of the total housing stock, approximately 69.8% are single-family units, 12.7% are multifamily units, 17.2% are mobile homes and 0.3% are other types of housing.

Region 5 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	120,748	120,241	240,989
Housing units, 2 units	2,864	2,854	5,718
Housing units, 3 to 4 units	3,279	4,566	7,845
Housing units, 5 to 19 units	5,558	16,036	21,594
Housing units, 20 or more units	3,107	5,625	8,732
Housing units, mobile home	43,911	15,354	59,265
Housing units, other	745	295	1,040
Total housing units	180,212	164,971	345,183

Source: 2010-2014 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

Region 5 has the highest percentage of total number of assisted multifamily units compared to regional population (7.5%), which is higher than the statewide average of 5.2%.

Region 5 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	8,499	32.97%	3.71%
HUD Units	4,309	16.71%	7.45%
Public housing authority Units	2,930	11.36%	5.38%
Section 8 Vouchers	8,824	34.23%	5.41%
USDA Units	1,219	4.73%	5.08%
Total	25,781	100.00%	4.88%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 5 with housing problems, 83.6% are cost burdened, 5.1% are substandard and 11.3% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 34.5% of all households.

Urban Region 5 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	13,185	10,035	7,125	2,375	2,470	35,185
Lacking Kitchen and/or Plumbing	290	245	169	264	665	1,635
Overcrowding	709	820	862	488	1,149	4,028

Rural Region 5 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	11,350	8,235	6,819	1,439	2,258	30,090
Lacking Kitchen and/or Plumbing	603	417	534	159	675	2,374
Overcrowding	787	1,146	1,019	561	1,248	4,761

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 5 has 2.8% of the State's total number of homeowners who received notices of public auction.

Region 5 Notices of Public Auction, SFY 2016

Region 5	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	52	61	186	40	339
Urban	107	104	192	89	492
Total	159	165	378	129	831

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 1,527 public assistance requests seeking assistance in Region 5, which accounted for 1.5% of total requests.

Region 5 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	30	30	60
Emergency	157	192	349
Foreclosure Prevention	0	1	1
Homebuyer Assistance	35	32	67
Homebuyer Education	7	16	23
Legal	2	6	8
Other	10	10	20
Rental Assistance	138	154	292
Repair	118	83	201
Utility	191	254	445
Weatherization	92	54	146
Total Individual Requests	736	791	1,527

Source: TDHCA Public Request Inventory, 2016.

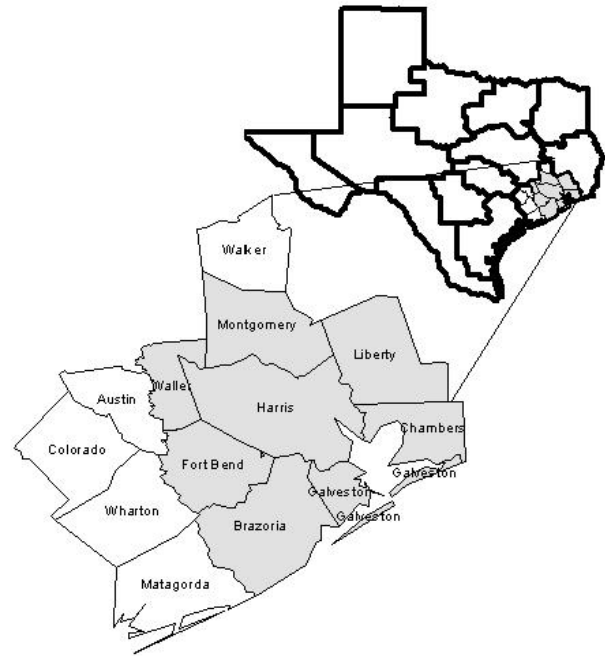
REGION 6

Region 6 includes the urban area of Houston, Brazoria and Galveston. This region has 24.4% of the State's population, second only to Region 3.

Region 6 Population

Region 6	Rural	Urban	Total
Total	196,207	6,175,417	6,371,624

Source: 2010-14 American Community Survey, Tbl B01003.



Region 6 is mainly urban with 96.9% of the population located in urban areas. In the map of Region 6 (right), the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 6. Of the 1,346,821 individuals living below 125% poverty, approximately 96.8% live in urban areas and the remaining 3.2% live in rural areas.

Region 6 Persons at 125% of Poverty

Region 6	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	43,310	173,513	24.96%	835,062	5.19%
Urban	1,303,511	6,093,553	21.39%	5,074,828	25.69%
Total	1,346,821	6,267,066	21.49%	5,909,890	22.79%

Source: 2010-2014 American Community Survey, Table S1701.

According to the table below, Region 6 closely mirrors the State's income distribution in urban areas but Region 6's rural areas have a higher percentage of extremely low-income households.

Region 6 Household Incomes

Household (HH) Incomes	Urban HH Region 6	% of Urban HH in Region	% of Urban HH in State	Rural Region 6	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	264,075	12.83%	12.72%	10,155	15.15%	12.65%
>30 to 50% AMFI	246,655	11.99%	11.82%	8,390	12.51%	13.19%
>50 to 80% AMFI	329,535	16.01%	16.52%	11,320	16.88%	17.71%
>80 to 100% AMFI	190,460	9.26%	9.53%	6,615	9.87%	9.79%
>100% + AMFI	1,027,170	49.91%	49.41%	30,565	45.59%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 6 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Elderly persons in Region 6 account for 9.3% of the total regional population, which is the lowest percentage of all regions. Elderly persons in Region 6 make up 20.9% of the statewide total aging population, which is the second highest share of this population in the State. The highest share of aging households is in Region 3.

Region 6 Elderly Persons

Region 6	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	27,932	196,207	14.2%	576,760	4.8%
Urban	567,285	6,175,417	9.2%	2,272,997	25.0%
Total	595,217	6,371,624	9.3%	2,849,757	20.9%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 6, persons with disabilities account for approximately 9.6% of the population. Of this total, approximately 96.2% are residing in urban areas, with the remaining 3.8% in rural areas.

Region 6 Persons with Disabilities

Region 6	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	23,215	177,072	13.1%	551,084	4.2%
Urban	584,305	6,125,517	9.5%	2,417,958	24.2%
Total	607,520	6,302,589	9.6%	2,969,042	20.5%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

Region 6 has the largest number of persons with HIV/AIDS and the region's percentage of persons with HIV/AIDS compared to total population (0.44%) is slightly higher than the statewide percentage of persons with HIV/AIDS compared to population (0.30%).

Region 6 Persons Living with HIV/AIDS, 2015

Region 6	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	327	196,207	0.17%
Urban	27,511	6,175,417	0.45%
Total	27,838	6,371,624	0.44%

Source: Texas Department of State Health Services, 2016.

VETERANS

Region 6 has the second lowest percentage of veterans (6.5%) compared to population for all the regions, second only to Region 11. However, because it has such a large population, Region 6 has the second highest share of statewide veterans, second only to Region 3. Region 6 has 19.1% of the statewide veteran population.

Region 6 Veteran Population

Region 6	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	13,480	139,466	8.8%	5.3%
Urban	285,989	4,193,541	6.4%	21.9%
Total	299,469	4,333,007	6.5%	19.1%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 6, victims of domestic violence comprise 0.9% of the region's population compared to the statewide rate of 0.8%. Incidents of violence in Region 6 make up 25.5% of the statewide total.

Region 6 Domestic Violence Incidents and Victims, 2015

Region 6	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	1,313	6.6%	1,430	0.7%
Urban	48,348	27.7%	54,826	0.9%
Total	49,661	25.5%	56,256	0.9%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 6, 97.1% of youth aging out of foster care live in urban areas, while the remaining 2.9% live in rural areas. Region 6 has the highest percentage of the statewide population of youth aging out of foster care.

Region 6 Youth Aging out of Foster Care, SFY 2015

Region 6	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	7	3.1%
Urban	233	24.5%
Total	240	20.3%

Source: Texas Department of Family and Protective Services, 2015.

REGION 6 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 3.5% of the housing units in Region 6 are in rural areas and 96.5% are in urban areas. Of the total housing stock, approximately 65.8% are single-family units, 29.0% are multifamily units, 5.1% are mobile homes and 0.1% are other types of housing.

Region 6 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	57,642	1,544,269	1,601,911
Housing units, 2 units	1,673	27,580	29,253
Housing units, 3 to 4 units	2,374	60,449	62,823
Housing units, 5 to 19 units	5,693	326,276	331,969
Housing units, 20 or more units	2,733	278,390	281,123
Housing units, mobile home	13,892	109,804	123,696
Housing units, other	219	2,719	2,938
Total housing units	84,226	2,349,487	2,433,713

Source: 2010-2014 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

Region 6 has the lowest percentage of assisted units compared to the region's housing supply (4.5%), which is lower than the statewide average (5.2%).

Region 6 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	59,622	54.03%	25.99%
HUD Units	13,945	12.64%	24.12%
Public housing authority Units	4,570	4.14%	8.39%
Section 8 Vouchers	29,128	26.40%	17.86%
USDA Units	3,075	2.79%	12.82%
Total	110,340	100.00%	20.87%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 6 with housing problems, 82.2% are cost burdened, 3.0% are substandard and 14.8% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 29.1% of all households.

Urban Region 6 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	177,595	158,715	140,235	47,534	77,220	601,305
Lacking Kitchen and/or Plumbing	6,118	4,189	4,194	1,860	5,660	22,025
Overcrowding	27,742	24,400	25,165	10,565	21,405	109,277

Rural Region 6 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	7,025	4,740	3,405	845	1,500	17,515
Lacking Kitchen and/or Plumbing	204	178	105	55	110	659
Overcrowding	214	554	538	284	527	2,117

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 6 has 24.7% of the State's total number of homeowners who received notices of public auction.

Region 6 Notices of Public Auction, SFY 2016

Region 6	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	6	9	184	12	211
Urban	2,837	1,123	1,825	1,351	7,136
Total	2,843	1,132	2,009	1,363	7,347

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 9,937 public assistance requests seeking assistance in Region 6, which accounted for 9.6% of total requests.

Region 6 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	12	240	252
Emergency	91	2,618	2,709
Foreclosure Prevention	0	37	37
Homebuyer Assistance	22	539	561
Homebuyer Education	1	424	561
Legal	5	92	97
Other	5	79	84
Rental Assistance	112	2,478	2,590
Repair	32	700	732
Utility	88	2,317	2,405
Weatherization	21	602	623
Total Individual Requests	348	9,589	9,937

Source: TDHCA Public Request Inventory, 2016.

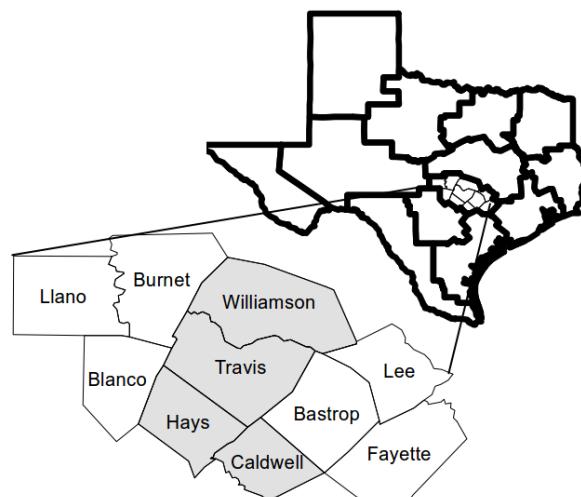
REGION 7

The urban area of Austin-San Marcos is at the center of Region 7. This region has 7.5% of the State's population.

Region 7 Population

Region 7	Rural	Urban	Total
Total	190,858	1,759,308	1,950,166

Source: 2010-14 American Community Survey, Tbl B01003



Approximately 90.2% of Region 7 residents live in urban areas. In the map of Region 7 (right), the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 7. Of the 369,604 individuals living below 125% poverty, 89.3% live in urban areas and the remaining 10.7% live in rural areas.

Region 7 Persons at 125% of Poverty

Region 7	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	39,472	186,417	21.17%	835,062	4.73%
Urban	330,132	1,722,983	19.16%	5,074,828	6.51%
Total	369,604	1,909,400	19.36%	5,909,890	6.25%

Source: 2010-2014 American Community Survey, Table S1701.

The table below depicts the income breakdown of Region 7. Rural areas of Region 7 have a lower percentage of extremely low -income households than the State as a whole.

Region 7 Household Incomes

Household (HH) Incomes	Urban HH Region 7	% of Urban HH in Region	% of Urban HH in State	Rural Region 7	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	75,010	11.81%	12.72%	8,435	11.94%	12.65%
>30 to 50% AMFI	63,480	10.00%	11.82%	9,760	13.82%	13.19%
>50 to 80% AMFI	100,590	15.84%	16.52%	12,465	17.65%	17.71%
>80 to 100% AMFI	62,560	9.85%	9.53%	7,305	10.34%	9.79%
>100% + AMFI	333,255	52.49%	49.41%	32,675	46.26%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 7 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Elderly persons in Region 7 account for 9.6% of the regional population, which is the second lowest percentage of all regions. Elderly persons in Region 7 make up 6.6% of the statewide total aging population.

Region 7 Elderly persons

Region 7	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	35,060	190,858	18.4%	576,760	6.1%
Urban	151,960	1,759,308	8.6%	2,272,997	6.7%
Total	187,020	1,950,166	9.6%	2,849,757	6.6%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 7, persons with disabilities account for approximately 9.8% of the population. Of this total, approximately 84.2% are residing in urban areas, with the remaining 15.8% in rural areas.

Region 7 Persons with Disabilities

Region 7	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	29,832	186,961	16.0%	551,084	5.4%
Urban	158,629	1,744,661	9.1%	2,417,958	6.6%
Total	188,461	1,931,622	9.8%	2,969,042	6.3%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 5,639 persons living with HIV/AIDS in Region 7. The number of people with HIV/AIDS as compared to Region 7's population is 0.29%, which is nearly the same as the statewide percentage of 0.30%.

Region 7 Persons Living with HIV/AIDS, 2015

Region 7	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	261	190,858	0.14%
Urban	5,378	1,759,308	0.31%
Total	5,639	1,950,166	0.29%

Source: Texas Department of State Health Services, 2016.

VETERANS

Of the population over 18 in Region 7, 8.1% are veterans. Region 7 has 7.6% of the statewide veteran population.

Region 7 Veteran Population

Region 7	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	18,154	128,735	12.4%	7.1%
Urban	100,374	1,222,229	7.6%	7.7%
Total	118,528	1,350,964	8.1%	7.6%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 7, victims of domestic violence comprise 0.7% of the region's population compared to the statewide rate of 0.8%. Incidents of violence in Region 7 make up 6.3% of the statewide total.

Region 7 Domestic Violence Incidents and Victims, 2015

Region 7	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	1,263	6.3%	1,438	0.8%
Urban	11,070	6.3%	11,852	0.7%
Total	12,333	6.3%	13,290	0.7%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 7, 87.0% of youth aging out of foster care live in urban areas, while the remaining 13.0% live in rural areas. Region 7 has 5.8% of the statewide number of youth aging out of foster care.

Region 7 Youth Aging out of Foster Care, SFY 2015

Region 7	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	9	3.9%
Urban	60	6.3%
Total	69	5.8%

Source: Texas Department of Family and Protective Services, 2015.

REGION 7 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 11.6% of the housing units in Region 7 are in rural areas and 88.4% are in urban areas. Of the total housing stock, approximately 63.6% are single-family units, 30.1% are multifamily units, 6.1% are mobile homes and 0.2% are other types of housing.

Region 7 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	65,568	439,944	505,512
Housing units, 2 units	2,128	21,904	24,032
Housing units, 3 to 4 units	1,881	23,831	25,712
Housing units, 5 to 19 units	1,822	90,416	92,238
Housing units, 20 to 49 units	983	96,080	97,063
Housing units, mobile home	19,197	29,495	48,692
Housing units, other	603	863	1,466
Total housing units	92,182	702,533	794,715

Source: 2010-2014 American Community Survey, Table DP04

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional housing supply is 4.9%, which is lower than the statewide average of 5.2%.

Region 7 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	23,321	60.02%	10.17%
HUD Units	3,066	7.89%	5.30%
Public housing authority Units	3,409	8.77%	6.26%
Section 8 Vouchers	7,675	19.75%	4.71%
USDA Units	1,387	3.57%	5.78%
Total	38,858	100.00%	7.35%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 7 with housing problems, 87.2% are cost burdened, 2.6% are substandard and 10.2% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 27.0% of all households.

Urban Region 7 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	55,140	47,740	54,380	18,405	29,490	205,145
Lacking Kitchen and/or Plumbing	1,644	679	920	439	1,795	5,475
Overcrowding	5,965	5,159	5,674	2,348	4,655	23,801

Rural Region 7 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	5,145	4,594	3,590	1,187	2,280	16,805
Lacking Kitchen and/or Plumbing	317	234	293	54	114	1,020
Overcrowding	533	628	477	138	416	2,192

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 7 has 3.6% of the State's total number of homeowners who received notices of public auction.

Region 7 Notices of Public Auction, SFY 2016

Region 7	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	58	44	61	48	211
Urban	337	209	99	213	858
Total	395	253	160	261	1,069

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 3,160 public assistance requests seeking assistance in Region 7, which accounted for 3.0% of total requests.

Region 7 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	19	59	78
Emergency	84	841	925
Foreclosure Prevention	1	12	13
Homebuyer Assistance	20	168	188
Homebuyer Education	6	146	152
Legal	3	43	46
Other	1	46	47
Rental Assistance	86	879	965
Repair	53	131	184
Utility	104	621	725
Weatherization	28	132	160
Total Individual Requests	371	2,789	3,160

Source: TDHCA Public Request Inventory, 2016.

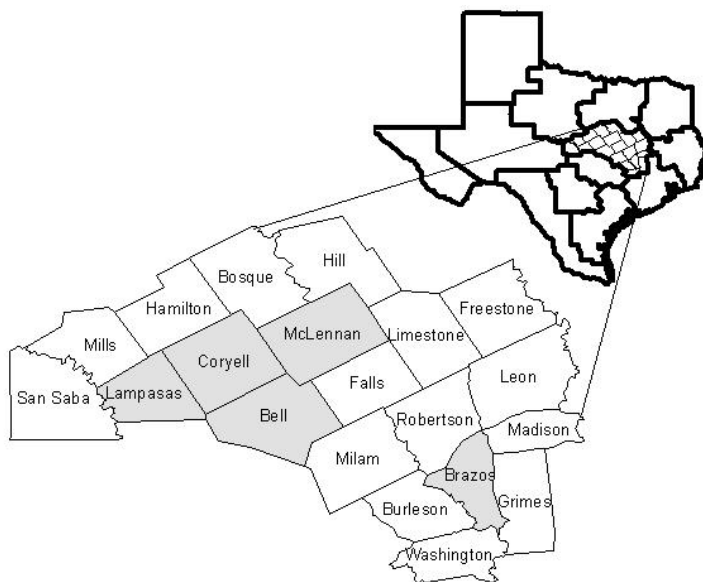
REGION 8

Region 8, located in the center of the State, surrounds the urban areas of Waco, Bryan, College Station, Killeen and Temple. This region has 4.4% of the State's population.

Region 8 Population

Region 8	Rural	Urban	Total
Total	282,483	859,138	1,141,621

Source: 2010-14 American Community Survey, Tbl B01003



Approximately 75.3% of Region 8 residents live in urban areas. In the map of Region 8 (right), the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 8. Of the 269,060 individuals living below 125% poverty, 76.4% live in urban areas and the remaining 23.6% live in rural areas.

Region 8 Persons at 125% of Poverty

Region 8	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	63,571	265,214	23.97%	835,062	7.61%
Urban	205,489	812,659	25.29%	5,074,828	4.05%
Total	269,060	1,077,873	24.96%	5,909,890	4.55%

Source: 2010-2014 American Community Survey, Table S1701.

According to the table below, Region 8's urban areas have a higher percentage of households with extremely-low income than the State but the region closely mirrors the State's income distribution in the rural areas.

. Region 8 Household Incomes

Household (HH) Incomes	Urban HH Region 8	% of Urban HH in Region	% of Urban HH in State	Rural Region 8	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	40,535	14.13%	12.72%	11,980	11.90%	12.65%
>30 to 50% AMFI	32,320	11.27%	11.82%	13,015	12.92%	13.19%
>50 to 80% AMFI	47,680	16.62%	16.52%	18,645	18.51%	17.71%
>80 to 100% AMFI	27,350	9.53%	9.53%	9,635	9.57%	9.79%
>100% + AMFI	138,970	48.45%	49.41%	47,430	47.10%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 8 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Region 8 elderly persons make up 12.1% of the region's population, compared to statewide aging population which makes up 10.9% the State's total population. Elderly persons in Region 8 make up 4.9% of the statewide total aging population.

Region 8 Elderly Persons

Region 8	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	52,771	282,483	18.7%	576,760	9.1%
Urban	85,888	859,138	10.0%	2,272,997	3.8%
Total	138,659	1,141,621	12.1%	2,849,757	4.9%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 8, persons with disabilities account for approximately 13.3% of the population. Of this total, approximately 68.2% are residing in urban areas, with the remaining 31.8% in rural areas.

Region 8 Persons with Disabilities

Region 8	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	45,588	267,372	17.1%	551,084	8.3%
Urban	97,553	810,579	12.0%	2,417,958	4.0%
Total	143,141	1,077,951	13.3%	2,969,042	4.8%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 1,836 persons living with HIV/AIDS in Region 8. The number of people with HIV/AIDS as compared to Region 8's population is 0.16%, which is lower than the statewide percentage of 0.30%.

Region 8 Persons Living with HIV/AIDS, 2015

Region 8	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	343	282,483	0.12%
Urban	1,493	859,138	0.17%
Total	1,836	1,141,621	0.16%

Source: Texas Department of State Health Services, 2016.

VETERANS

Region 8 has the highest percentage of veterans compared to population than any region in Texas. Of the population over 18 in Region 8, 12.8% are veterans. Region 8 has 6.8% of the statewide veteran population.

Region 8 Veteran Population

Region 8	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	22,343	195,242	10.3%	8.7%
Urban	83,497	528,483	13.6%	6.4%
Total	105,840	723,725	12.8%	6.8%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 8, victims of domestic violence comprise 0.9% of the region's population, compared to the statewide rate of 0.8%. Incidents of violence in Region 8 make up 4.6% of the statewide total.

Region 8 Domestic Violence Incidents and Victims, 2015

Region 8	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	1,245	6.2%	1,371	0.5%
Urban	7,746	4.4%	8,529	1.0%
Total	8,991	4.6%	9,900	0.9%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 8, 67.5% of youth aging out of foster care live in urban areas, while the remaining 32.5% live in rural areas. Region 8 has 6.8% of the statewide number of youth aging out of foster care.

Region 8 Youth Aging out of Foster Care, SFY 2015

Region 8	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	26	11.4%
Urban	54	5.7%
Total	80	6.8%

Source: Texas Department of Family and Protective Services, 2015.

REGION 8 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 28.2% of the housing units in Region 8 are in rural areas and 71.8% are in urban areas. Of the total housing stock, approximately 67.9% are single-family units, 21.3% are multifamily units, 10.6% are mobile homes and 0.2% are other types of housing.

Region 8 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	96,980	225,177	322,157
Housing units, 2 units	2,515	17,874	20,389
Housing units, 3 to 4 units	1,930	19,779	21,709
Housing units, 5 to 19 units	2,543	38,349	40,892
Housing units, 20 or more units	1,468	16,857	18,325
Housing units, mobile home	27,957	22,552	50,509
Housing units, other	421	323	744
Total housing units	133,814	340,911	474,725

Source: 2010-2014 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional housing supply is 4.9%, which is lower than the statewide average of 5.2%.

Region 8 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	6,434	27.39%	2.81%
HUD Units	2,491	10.60%	4.31%
Public housing authority Units	3,928	16.72%	7.21%
Section 8 Vouchers	8,060	34.31%	4.94%
USDA Units	2,579	10.98%	10.75%
Total	23,492	100.00%	4.44%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 8 with housing problems, 87.1% are cost burdened, 3.3% are substandard and 9.6% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 31.0% of all households.

Urban Region 8 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	28,685	22,445	22,415	6,100	9,040	88,650
Lacking Kitchen and/or Plumbing	763	404	564	269	605	2,620
Overcrowding	1,428	2,025	2,323	884	2,263	8,923

Rural Region 8 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	7,440	6,244	4,751	1,200	2,243	21,875
Lacking Kitchen and/or Plumbing	491	292	313	172	313	1,577
Overcrowding	584	429	783	423	1,074	3,293

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 8 has 4.9% of the State's total number of homeowners who received notices of public auction.

Region 8 Notices of Public Auction, SFY 2016

Region 8	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	61	71	201	52	385
Urban	375	348	65	280	1,068
Total	436	419	266	332	1,453

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 2,143 public assistance requests seeking assistance in Region 8, which accounted for 2.1% of total requests.

Region 8 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	21	49	70
Emergency	114	503	617
Foreclosure Prevention	4	2	6
Homebuyer Assistance	28	67	95
Homebuyer Education	12	41	53
Legal	3	13	16
Other	10	9	19
Rental Assistance	123	415	538
Repair	84	102	186
Utility	140	401	541
Weatherization	70	100	170
Total Individual Requests	573	1,570	2,143

Source: TDHCA Public Request Inventory, 2016.

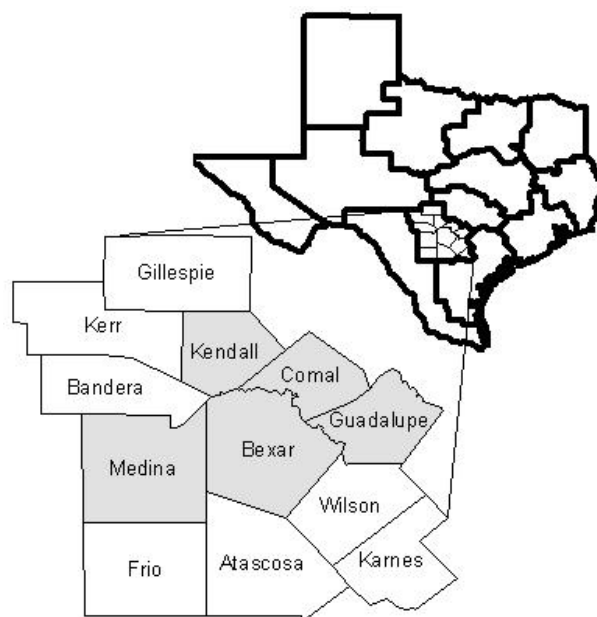
REGION 9

San Antonio is the main metropolitan area in Region 9. This region has 9.0% of the State's population.

Region 9 Population

Region 9	Rural	Urban	Total
Total	219,418	2,127,628	2,347,046

Source: 2010-14 American Community Survey, Tbl B01003



Approximately 90.7% of Region 9 residents live in urban areas. In the map of Region 9 (above), the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 9. Of the 505,920 individuals living below 125% poverty, 91.2% live in urban areas and the remaining 8.8% live in rural areas.

Region 9 Persons at 125% of Poverty

Region 9	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	44,646	209,507	21.31%	835,062	5.35%
Urban	461,274	2,084,219	22.13%	5,074,828	9.09%
Region 9 Total	505,920	2,293,726	22.06%	5,909,890	8.56%

Source: 2010-2014 American Community Survey, Table S1701.

According to the table below, Region 9's rural areas have a lower percentage of households in the lower income categories than the State as a whole but the region closely mirrors the State's income distribution in the urban areas.

Region 9 Household Incomes

Household (HH) Incomes	Urban HH Region 9	% of Urban HH in Region	% of Urban HH in State	Rural Region 9	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	89,655	12.43%	12.72%	8,720	11.04%	12.65%
>30 to 50% AMFI	82,290	11.41%	11.82%	9,425	11.93%	13.19%
>50 to 80% AMFI	120,150	16.66%	16.52%	13,355	16.91%	17.71%
>80 to 100% AMFI	68,940	9.56%	9.53%	7,435	9.41%	9.79%
>100% + AMFI	360,075	49.93%	49.41%	40,045	50.70%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 9 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Region 9 elderly persons make up 12.1% of the region's population, compared to statewide aging population which makes up 10.9% the State's total population. Elderly persons in Region 9 make up 9.9% of the statewide total aging population.

Region 9 Elderly Persons

Region 9	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	41,120	219,418	18.7%	576,760	7.1%
Urban	241,974	2,127,628	11.4%	2,272,997	10.6%
Total	283,094	2,347,046	12.1%	2,849,757	9.9%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 9, persons with disabilities account for approximately 13.6% of the population. Of this total, approximately 89.0% are residing in urban areas, with the remaining 11.0% in rural areas.

Region 9 Persons with Disabilities

Region 9	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	34,293	210,809	16.3%	551,084	6.2%
Urban	277,280	2,086,896	13.3%	2,417,958	11.5%
Total	311,573	2,297,705	13.6%	2,969,042	10.5%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 6,338 persons living with HIV/AIDS in Region 9. The number of people with HIV/AIDS as compared to Region 9's population is 0.27%, which is slightly lower than the statewide percentage of 0.30%.

Region 9 Persons Living with HIV/AIDS, 2015

Region 9	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	200	219,418	0.09%
Urban	6,138	2,127,628	0.29%
Total	6,338	2,347,046	0.27%

Source: Texas Department of State Health Services, 2016.

VETERANS

Region 9 has the second highest percentage of veterans compared to regional population. Of the population over 18 in Region 9, 12.3% are veterans. Region 9 has 13.5% of the statewide veteran population.

Region 9 Veteran Population

Region 9	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	21,791	147,234	12.9%	8.5%
Urban	189,721	1,356,363	12.3%	14.5%
Total	211,512	1,503,597	12.3%	13.5%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 9, victims of domestic violence comprise 0.8% of the region's population consistent with the statewide rate of 0.8%. Incidents of violence in Region 9 make up 9.5% of the statewide total.

Region 9 Domestic Violence Incidents and Victims, 2015

Region 9	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	992	5.0%	1,044	0.5%
Urban	17,447	10.0%	18,034	0.8%
Total	18,439	9.5%	19,078	0.8%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 9, 91.6% of youth aging out of foster care live in urban areas, while the remaining 8.4% live in rural areas. Region 9 has 16.2% of the statewide number of youth aging out of foster care.

Region 9 Youth Aging out of Foster Care, SFY 2015

Region 9	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	16	7.0%
Urban	175	18.4%
Total	191	16.2%

Source: Texas Department of Family and Protective Services, 2015.

REGION 9 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 10.5% of the housing units in Region 9 are in rural areas and 89.5% are in urban areas. Of the total housing stock, approximately 70.4% are single-family units, 22.6% are multifamily units, 6.9% are mobile homes and 0.1% are other types of housing.

Region 9 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	64,817	568,290	633,107
Housing units, 2 units	1,477	13,601	15,078
Housing units, 3 to 4 units	2,286	27,135	29,421
Housing units, 5 to 19 units	2,073	97,256	99,329
Housing units, 20 or more units	1,070	58,545	59,615
Housing units, mobile home	22,442	39,366	61,808
Housing units, other	379	786	1,165
Total housing units	94,544	804,979	899,523

Source: 2010-2014 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional housing supply is 5.6%, which is higher than the statewide average of 5.2%.

Region 9 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	20,036	40.01%	8.74%
HUD Units	5,652	11.29%	9.78%
Public housing authority Units	6,999	13.98%	12.85%
Section 8 Vouchers	16,509	32.97%	10.12%
USDA Units	880	1.76%	3.67%
Total	50,076	100.00%	9.47%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 9 with housing problems, 83.0% are cost burdened, 3.6% are substandard and 13.4% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 27.8% of all households.

Urban Region 9 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	59,345	50,860	49,485	15,865	24,663	200,215
Lacking Kitchen and/or Plumbing	1,650	1,700	1,324	685	2,810	8,170
Overcrowding	5,730	5,915	7,914	3,588	7,930	31,077

Rural Region 9 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	5,380	4,630	4,178	1,310	2,104	17,595
Lacking Kitchen and/or Plumbing	355	322	205	123	286	1,320
Overcrowding	573	806	1,113	201	1,348	4,041

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 9 has 13.4% of the State's total number of homeowners who received notices of public auction.

Region 9 Notices of Public Auction, SFY 2016

Region 9	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	55	55	254	56	420
Urban	916	825	883	938	3,562
Total	971	880	1,137	994	3,982

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 2,672 public assistance requests seeking assistance in Region 9, which accounted for 2.6% of total requests.

Region 9 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	9	75	84
Emergency	77	649	726
Foreclosure Prevention	0	14	14
Homebuyer Assistance	20	127	147
Homebuyer Education	7	83	90
Legal	1	50	51
Other	10	22	32
Rental Assistance	98	634	732
Repair	31	174	205
Utility	70	597	667
Weatherization	27	122	149
Total Individual Requests	326	2,346	2,672

Source: TDHCA Public Request Inventory, 2016.

REGION 10

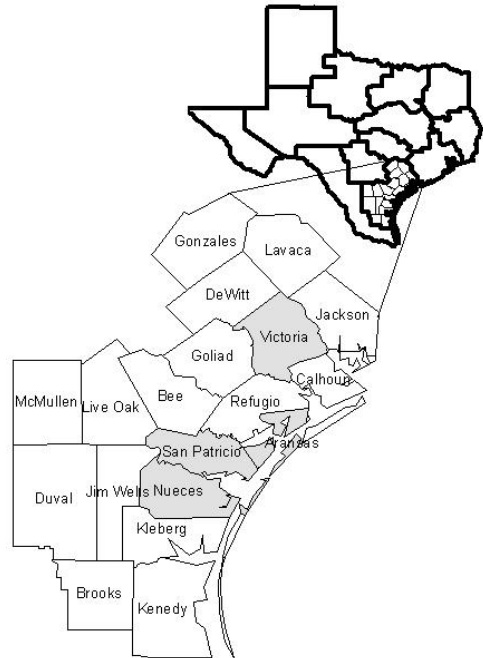
Region 10, including the urban areas of Corpus Christi and Victoria, is located in the south eastern part of the State on the Gulf of Mexico. This region has 3.0% of the State's population.

Region 10 Population

Region 10	Rural	Urban	Total
Total	248,154	526,483	774,637

Source: 2010-14 American Community Survey, Tbl B01003.

For Region 10, a majority of the population (68.0%) live in urban areas. In the map of Region 10 (right), the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 10. Of the 182,934 individuals living below 125% poverty, 66.7% live in urban areas and the remaining 33.3% live in rural areas.



Region 10 Persons at 125% of Poverty

Region 10	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	60,836	231,607	26.27%	835,062	7.29%
Urban	122,098	517,100	23.61%	5,074,828	2.41%
Total	182,934	748,707	24.43%	5,909,890	3.10%

Source: 2010-2014 American Community Survey, Table S1701.

According to the table below, Region 10's rural and urban areas have a lower percentage of extremely low-income households than the State.

Region 10 Household Incomes

Household (HH) Incomes	Urban HH Region 10	% of Urban HH in Region	% of Urban HH in State	Rural Region 10	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	22,250	11.84%	12.72%	10,260	12.15%	12.65%
>30 to 50% AMFI	21,565	11.47%	11.82%	11,300	13.39%	13.19%
>50 to 80% AMFI	31,100	16.55%	16.52%	15,178	17.98%	17.71%
>80 to 100% AMFI	17,185	9.14%	9.53%	7,534	8.93%	9.79%
>100% + AMFI	95,860	51.00%	49.41%	40,140	47.55%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 10 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Region 10 elderly persons make up 14.2% of the region's population, compared to statewide aging population which makes up 10.9% the State's total population. Elderly persons in Region 10 make up 3.9% of the statewide total aging population.

Region 10 Elderly Persons

Region 10	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	38,906	248,154	15.7%	576,760	6.7%
Urban	70,848	526,483	13.5%	2,272,997	3.1%
Total	109,754	774,637	14.2%	2,849,757	3.9%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 10, persons with disabilities account for approximately 16.4% of the population. Of this total, approximately 65.0% are residing in urban areas, with the remaining 35.0% in rural areas.

Region 10 Persons with Disabilities

Region 10	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	43,207	233,573	18.5%	551,084	7.8%
Urban	80,137	519,224	15.4%	2,417,958	3.3%
Total	123,344	752,797	16.4%	2,969,042	4.2%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 1,017 persons living with HIV/AIDS in Region 10. The number of people with HIV/AIDS as compared to Region 10's population is 0.13%, which is lower than the statewide percentage of 0.30%.

Region 10 Persons Living with HIV/AIDS, 2015

Region 10	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	206	248,154	0.08%
Urban	811	526,483	0.15%
Total	1,017	774,637	0.13%

Source: Texas Department of State Health Services, 2016.

VETERANS

Of the population over 18 in Region 10, 10.1% are veterans. Region 10 has 3.7% of the statewide veteran population.

Region 10 Veteran Population

Region 10	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	16,925	170,165	9.0%	6.6%
Urban	41,202	348,342	10.6%	3.1%
Total	58,127	518,507	10.1%	3.7%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 10, victims of domestic violence comprise 1.0% of the region's population compared to the statewide rate of 0.8%. Incidents of violence in Region 10 make up 3.7% of the statewide total.

Region 10 Domestic Violence Incidents and Victims, 2015

Region 10	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	1,583	7.9%	1,744	0.7%
Urban	5,674	3.2%	6,160	1.2%
Total	7,257	3.7%	7,904	1.0%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 10, 61.4% of youth aging out of foster care live in urban areas, while the remaining 38.6% live in rural areas. Region 10 has 3.7% of the statewide number of youth aging out of foster care.

Region 10 Youth Aging out of Foster Care, SFY 2015

Region 10	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	17	7.4%
Urban	27	2.8%
Total	44	3.7%

Source: Texas Department of Family and Protective Services, 2015.

REGION 10 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, housing needs, and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 33.1% of the housing units in Region 10 are in rural areas and 66.9% are in urban areas. Of the total housing stock, approximately 71.1% are single-family units, 18.8% are multifamily units, 9.8% are mobile homes and 0.3% are other types of housing.

Region 10 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	81,379	153,140	234,519
Housing units, 2 units	2,129	6,216	8,345
Housing units, 3 to 4 units	3,037	12,899	15,936
Housing units, 5 to 19 units	3,361	21,978	25,339
Housing units, 20 or more units	1,354	11,138	12,492
Housing units, mobile home	17,509	14,763	32,272
Housing units, other	343	780	1,123
Total housing units	109,112	220,914	330,026

Source: 2010-2014 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional housing supply is 6.1%, which is higher than the statewide average of 5.2%.

Region 10 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	6,385	31.61%	2.78%
HUD Units	3,780	18.71%	6.54%
Public housing authority Units	4,392	21.74%	8.07%
Section 8 Vouchers	4,259	21.09%	2.61%
USDA Units	1,383	6.85%	5.77%
Total	20,199	100.00%	3.82%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 10 with housing problems, 79.6% are cost burdened, 4.9% are substandard and 15.5% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 28.0% of all households.

Urban Region 10 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	14,185	13,325	13,465	3,955	6,750	51,680
Lacking Kitchen and/or Plumbing	975	590	454	219	500	2,750
Overcrowding	1,694	1,455	1,590	975	2,640	8,354

Rural Region 10 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	5,788	4,372	3,194	1,081	1,270	15,709
Lacking Kitchen and/or Plumbing	304	407	197	179	297	1,374
Overcrowding	776	763	1,187	406	1,680	4,812

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 10 has 2.9% of the State's total number of homeowners who received notices of public auction.

Region 10 Notices of Public Auction, SFY 2016

Region 10	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	11	17	262	22	312
Urban	235	139	30	147	551
Total	246	156	292	169	863

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 886 public assistance requests seeking assistance in Region 10, which accounted for 0.9% of total requests.

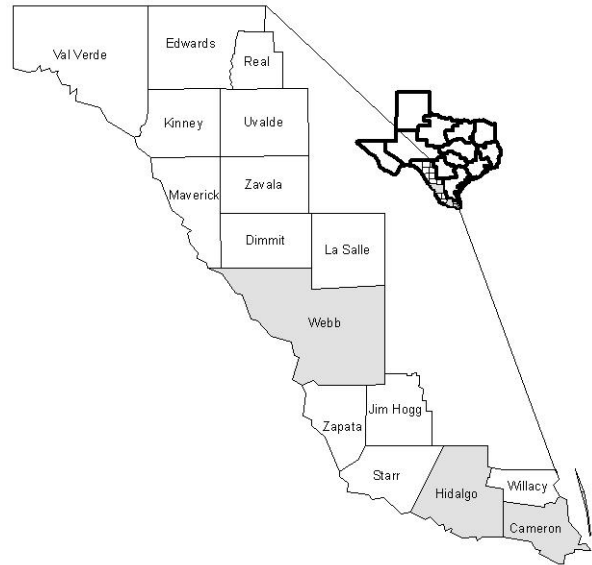
Region 10 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	23	26	49
Emergency	53	88	141
Foreclosure Prevention	2	5	7
Homebuyer Assistance	20	29	49
Homebuyer Education	7	15	22
Legal	4	9	13
Other	1	5	6
Rental Assistance	66	102	168
Repair	51	74	125
Utility	90	138	228
Weatherization	71	60	131
Total Individual Requests	367	519	886

Source: TDHCA Public Request Inventory, 2016.

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.



Region 11 Population Figures

Region 11	Rural	Urban	Total
Total	273,801	1,481,021	1,754,822

Source: 2010-14 American Community Survey, Tbl B01003

In Region 11, 84.4% of the population lives in urban areas. In the map of Region 11 (right), the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 11. Of the 721,354 individuals living below 125% poverty, 85.8% live in urban areas and the remaining 14.2% live in rural areas.

Region 11 Persons at 125% of Poverty

Region 11	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	102,687	265,991	38.61%	835,062	12.3%
Urban	618,667	1,462,941	42.29%	5,074,828	12.2%
Region 11 Total	721,354	1,728,932	41.72%	5,909,890	12.2%

Source: 2010-2014 American Community Survey, Table S1701.

According to the table below, Region 11 has a higher percentage of households with extremely-low income than the State as a whole. Correspondingly, Region 11 has a lower percentage of high-income households than the State.

Region 11 Household Incomes

Household (HH) Incomes	Urban HH Region 11	% of Urban HH in Region	% of Urban HH in State	Rural Region 11	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	73,700	18.29%	12.72%	15,660	19.73%	12.65%
>30 to 50% AMFI	60,165	14.93%	11.82%	13,909	17.53%	13.19%
>50 to 80% AMFI	70,825	17.58%	16.52%	14,373	18.11%	17.71%
>80 to 100% AMFI	35,295	8.76%	9.53%	7,508	9.46%	9.79%
>100% + AMFI	162,910	40.43%	49.41%	27,905	35.16%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 11 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Region 11 elderly persons make up 10.5% of the region's population, compared to statewide aging population which makes up 10.9% the State's total population. Elderly persons in Region 11 make up 6.4% of the statewide total aging population.

Region 11 Elderly Persons

Region 11	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	34,605	273,801	12.6%	576,760	6.0%
Urban	149,143	1,481,021	10.1%	2,272,997	6.6%
Total	183,748	1,754,822	10.5%	2,849,757	6.4%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 11, persons with disabilities account for approximately 13.8% of the population. Of this total, approximately 81.3% are residing in urban areas, with the remaining 18.7% in rural areas.

Region 11 Persons with Disabilities

Region 11	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	44,679	265,724	16.8%	551,084	8.1%
Urban	194,813	1,469,129	13.3%	2,417,958	8.1%
Total	239,492	1,734,853	13.8%	2,969,042	8.1%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 2,616 persons living with HIV/AIDS in Region 11. The number of people with HIV/AIDS as compared to Region 11's population is 0.15%, which is lower than the statewide percentage of 0.30%.

Region 11 Persons Living with HIV/AIDS, 2015

Region 11	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	241	273,801	0.09%
Urban	2,375	1,481,021	0.16%
Total	2,616	1,754,822	0.15%

Source: Texas Department of State Health Services, 2016.

VETERANS

Of the population over 18 in Region 11, 4.7% are veterans, which is the smallest percentage of veterans compared to regional population out of all 13 regions. Region 11 has 3.5% of the statewide veteran population.

Region 11 Veteran Population

Region 11	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	10,595	178,547	5.6%	4.1%
Urban	44,042	938,109	4.5%	3.4%
Total	54,637	1,116,656	4.7%	3.5%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 11, victims of domestic violence comprise 0.7% of the region's population compared to the statewide rate of 0.8%. Incidents of violence in Region 11 make up 6.2% of the statewide total.

Region 11 Domestic Violence Incidents and Victims, 2015

Region 11	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	1,687	8.4%	1,865	0.7%
Urban	10,425	6.0%	11,227	0.8%
Total	12,112	6.2%	13,092	0.7%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 11, 74.6% of youth aging out of foster care live in urban areas, while the remaining 25.4% live in rural areas. Region 11 has 6.0% of the statewide number of youth aging out of foster care.

Region 11 Youth Aging Out of Foster Care, SFY 2015

Region 11	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	18	7.9%
Urban	53	5.6%
Total	71	6.0%

Source: Texas Department of Family and Protective Services, 2015.

REGION 11 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 17.5% of the housing units in Region 11 are in rural areas and 82.5% are in urban areas. Of the total housing stock, approximately 69.0% are single-family units, 17.3% are multifamily units, 13.2% are mobile homes and 0.5% are other types of housing.

Region 11 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	74,481	322,094	396,575
Housing units, 2 units	3,486	15,203	18,689
Housing units, 3 to 4 units	3,924	24,613	28,537
Housing units, 5 to 19 units	2,647	30,269	32,916
Housing units, 20 or more units	1,007	18,358	19,365
Housing units, mobile home	14,686	61,318	76,004
Housing units, other	138	2,794	2,932
Total housing units	100,369	474,649	575,018

Source: 2010-2014 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional housing supply is 6.7%, which is higher than the statewide average of 5.2%.

Region 11 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	12,266	31.65%	5.35%
HUD Units	3,643	9.40%	6.30%
Public housing authority Units	6,230	16.07%	11.44%
Section 8 Vouchers	14,529	37.48%	8.91%
USDA Units	2,093	5.40%	8.73%
Total	38,761	100.00%	7.33%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 11 with housing problems, 64.1% are cost burdened, 6.1% are substandard and 29.8% are overcrowded. Compared to other regions, Region 11 has both the highest percentage of households that are overcrowded and the lowest percentage of households that are cost burdened. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 34.4% of all households.

Urban Region 11 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	37,415	29,385	23,100	7,130	10,730	107,780
Lacking Kitchen and/or Plumbing	4,780	2,045	1,510	640	1,110	10,080
Overcrowding	14,630	9,535	10,570	4,605	12,200	51,540

Rural Region 11 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	7,972	4,979	3,290	787	1,224	18,272
Lacking Kitchen and/or Plumbing	893	615	189	63	162	1,918
Overcrowding	1,918	1,339	1,388	596	1,937	7,178

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 11 has 7.0% of the State's total number of homeowners who received notices of public auction.

Region 11 Notices of Public Auction, SFY 2016

Region 11	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	4	11	725	15	755
Urban	526	396	16	393	1,331
Total	530	407	741	408	2,086

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 1,530 public assistance requests seeking assistance in Region 11, which accounted for 1.5% of total requests.

Region 11 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	14	57	71
Emergency	30	231	261
Foreclosure Prevention	0	8	8
Homebuyer Assistance	17	85	102
Homebuyer Education	3	26	29
Legal	0	5	5
Other	2	7	9
Rental Assistance	36	242	278
Repair	53	142	195
Utility	85	328	413
Weatherization	41	191	232
Total Individual Requests	272	1,258	1,530

Source: TDHCA Public Request Inventory, 2016.

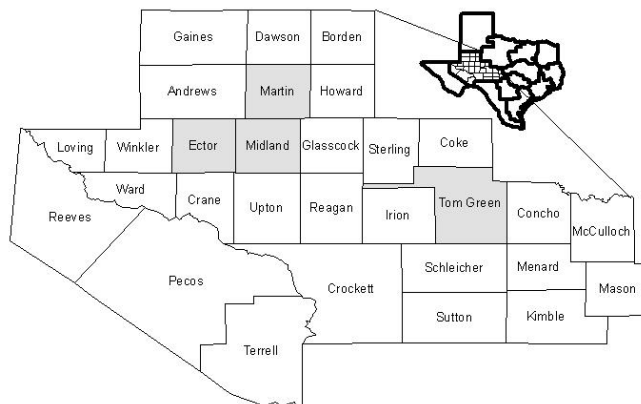
REGION 12

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.

Region 12 Population

Region 12	Rural	Urban	Total
Total	186,717	409,931	596,648

Source: 2010-14 American Community Survey, Tbl B01003



Approximately 68.7% of Region 12 residents live in urban areas. In the map of Region 12 (right), the shaded counties have urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 12. Of the 106,667 individuals living below 125% poverty, 67.0% live in urban areas and the remaining 33.0% live in rural areas. Compared to the State as a whole, Region 12 has the lowest share (1.8%) of persons living at 125% poverty out of all 13 regions.

Region 12 Persons at 125% of Poverty

Region 12	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	35,212	171,263	20.56%	835,062	4.22%
Urban	71,455	399,801	17.87%	5,074,828	1.41%
Region 12 Total	106,667	571,064	18.68%	5,909,890	1.80%

Source: 2010-2014 American Community Survey, Table S1701.

The table below depicts the income breakdown of Region 12. Region 12 has a lower percentage of extremely low-income households and a higher percentage of high-income households than the State as a whole.

Region 12 Household Incomes

Household (HH) Incomes	Urban HH Region 12	% of Urban HH in Region	% of Urban HH in State	Rural Region 12	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	13,495	9.34%	12.72%	7,601	12.54%	12.65%
>30 to 50% AMFI	16,250	11.25%	11.82%	7,337	12.10%	13.19%
>50 to 80% AMFI	24,335	16.85%	16.52%	9,949	16.41%	17.71%
>80 to 100% AMFI	15,175	10.51%	9.53%	5,698	9.40%	9.79%
>100% + AMFI	75,185	52.05%	49.41%	30,050	49.56%	46.66%

Source: 2009-2013 CHAS, Table 8.

REGION 12 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Region 12 elderly persons make up 12.1% of the region's population, compared to statewide aging population which makes up 10.9% the State's total population. Region 12 has the lowest percentage of statewide aging population at 2.5%.

Region 12 Elderly Persons

Region 12	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	26,029	186,717	13.9%	576,760	4.5%
Urban	46,431	409,931	11.3%	2,272,997	2.0%
Total	72,460	596,648	12.1%	2,849,757	2.5%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 12, persons with disabilities account for approximately 13.5% of the population. Of this total, approximately 68.0% are residing in urban areas, with the remaining 32.0% in rural areas.

Region 12 Persons with Disabilities

Region 12	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	24,703	171,857	14.4%	551,084	4.5%
Urban	52,550	402,335	13.1%	2,417,958	2.2%
Total	77,253	574,192	13.5%	2,969,042	2.6%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 613 persons living with HIV/AIDS in Region 12. The number of people with HIV/AIDS as compared to Region 12's population is 0.10%, which is lower than the statewide percentage of 0.30%.

Region 12 Persons Living with HIV/AIDS, 2015

Region 12	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	127	186,717	0.07%
Urban	486	409,931	0.12%
Total	613	596,648	0.10%

Source: Texas Department of State Health Services, 2016.

VETERANS

Of the population over 18 in Region 12, 8.3% are veterans. Region 12 has 2.3% of the statewide veteran population. Region 12 has the lowest percentage of veterans compared to the statewide population of veterans.

Region 12 Veteran Population

Region 12	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	10,611	128,144	7.6%	4.1%
Urban	25,316	270,103	8.6%	1.9%
Total	35,927	398,247	8.3%	2.3%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 12, victims of domestic violence comprise 1.0% of the region's population compared to the statewide rate of 0.8%. Incidents of violence in Region 12 make up 2.8% of the statewide total.

Region 12 Domestic Violence Incidents and Victims, 2015

Region 12	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	1,268	6.3%	1,381	0.7%
Urban	4,215	2.4%	4,737	1.2%
Total	5,483	2.8%	6,118	1.0%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 12, 60.0% of youth aging out of foster care live in urban areas, while the remaining 40.0% live in rural areas. Region 12 has 3.8% of the statewide population of youth aging out of foster care.

Region 12 Youth Aging out of Foster Care, SFY 2015

Region 12	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	18	7.9%
Urban	27	2.8%
Total	45	3.8%

Source: Texas Department of Family and Protective Services, 2015.

REGION 12 HOUSING ASSESSMENT

A housing assessment includes the current housing supply and the housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 32.9% of the housing units in Region 12 are in rural areas and 67.1% are in urban areas. Of the total housing stock, approximately 71.6% are single-family units, 16.2% are multifamily units, 11.8% are mobile homes and 0.3% are other types of housing.

Region 12 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	61,324	108,553	169,877
Housing units, 2 units	1,614	2,317	3,931
Housing units, 3 to 4 units	1,155	3,344	4,499
Housing units, 5 to 19 units	1,798	19,378	21,176
Housing units, 20 to 49 units	1,136	7,803	8,939
Housing units, mobile home	10,773	17,238	28,011
Housing units, other	232	536	768
Total housing units	78,032	159,169	237,201

Source: 2010-2014 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional housing supply is 4.7%, which is lower than the statewide average of 5.2%.

Region 12 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	4,277	38.56%	1.86%
HUD Units	1,898	17.11%	3.28%
Public housing authority Units	1,227	11.06%	2.25%
Section 8 Vouchers	3,098	27.93%	1.90%
USDA Units	592	5.34%	2.47%
Total	11,092	100.00%	2.10%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 12 with housing problems, 77.1% are cost burdened, 7.5% are substandard and 15.4% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 28.8% of all households.

Urban Region 12 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	9,065	8,860	7,985	2,545	2,815	31,295
Lacking Kitchen and/or Plumbing	530	525	655	205	1,075	2,975
Overcrowding	820	999	1,375	795	1,985	5,974

Rural Region 12 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	4,268	2,592	1,951	437	554	9,836
Lacking Kitchen and/or Plumbing	232	302	142	99	265	1,027
Overcrowding	439	283	403	292	830	2,247

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 12 has 2.2% of the State's total number of homeowners who received notices of public auction.

Region 12 Notices of Public Auction, SFY 2016

Region 12	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	2	11	165	12	190
Urban	133	119	67	141	460
Total	135	130	232	153	650

Source: RealtyTrac, 2016.

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 656 public assistance requests seeking assistance in Region 12, which accounted for 0.6% of total requests.

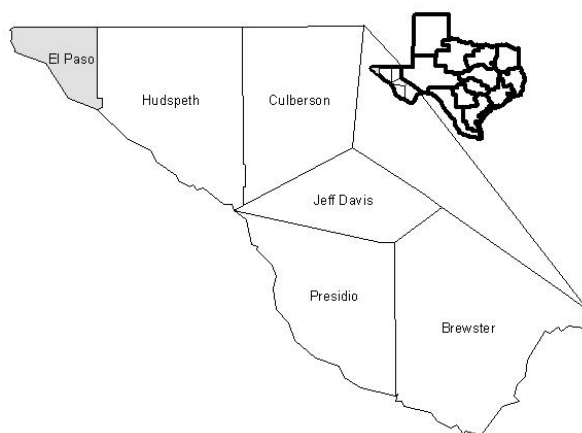
Region 12 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	8	13	21
Emergency	58	124	182
Foreclosure Prevention	1	5	6
Homebuyer Assistance	12	10	22
Homebuyer Education	4	8	12
Legal	2	6	8
Other	2	3	5
Rental Assistance	53	95	148
Repair	24	29	53
Utility	80	110	190
Weatherization	31	29	60
Total Individual Requests	262	394	656

Source: TDHCA Public Request Inventory, 2016.

REGION 13

El Paso is the main urban area in Region 13. The region spreads along the Texas-Mexico border in the southwestern tip of the state. This region has 3.3% of the State's population.



Region 13 Population

Region 13	Rural	Urban	Total
Total	24,700	823,862	848,562

Source: 2010-14 American Community Survey, Tbl B01003.

Approximately 97.1% of Region 13 residents live in the urban area of El Paso. In the map of Region 13 (above), the shaded county has urban places as defined by Tex. Gov't Code §2306.004(36). The table below depicts the number of individuals living below 125% of the poverty line in Region 13. Of the 259,610 individuals living below 125% of poverty, approximately 97.3% live in urban areas and the remaining 2.7% live in rural areas. Compared to the State as a whole, Region 13 has the lowest share (0.8%) of the number of persons in rural areas living at 125% poverty out of all 13 regions.

Region 13 Persons at 125% of Poverty

Region 13	Persons at 125% Poverty	Regional Population	Persons at 125% Poverty Compared to Regional Population	Statewide Persons at 125% Poverty	Regional% of Statewide Persons at 125% Poverty
Rural	6,883	24,151	28.50%	835,062	0.82%
Urban	252,727	809,165	31.23%	5,074,828	4.98%
Total	259,610	833,316	31.15%	5,909,890	4.39%

Source: 2010-2014 American Community Survey, Table S1701.

The table below depicts the income breakdown of Region 13. Region 13 has a higher percentage of extremely low-income households and a lower percentage of high-income households than the State as a whole.

Region 13 Household Incomes

Household (HH) Incomes	Urban HH Region 13	% of Urban HH in Region	% of Urban HH in State	Rural Region 13	% of Rural HH in Region	% of Rural HH in State
0 to 30% AMFI	35,565	13.92%	12.72%	1,505	15.52%	12.65%
>30 to 50% AMFI	35,680	13.96%	11.82%	1,585	16.34%	13.19%
>50 to 80% AMFI	45,340	17.74%	16.52%	1,725	17.79%	17.71%
>80 to 100% AMFI	26,000	10.17%	9.53%	854	8.81%	9.79%
<100% + AMFI	112,985	44.21%	49.41%	4,030	41.55%	46.66%

Source: 2009-2013 CHAS, Table 1.

REGION 13 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with substance use issues are not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which residents of public housing live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

ELDERLY PERSONS

Region 13 elderly persons make up 10.9% of the region's population, compared to the statewide aging population of 10.9%. Elderly persons in Region 13 make up 3.3% of the statewide total aging population.

Region 13 Elderly Persons

Region 13	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	4,659	24,700	18.9%	576,760	0.8%
Urban	88,024	823,862	10.7%	2,272,997	3.9%
Total	92,683	848,562	10.9%	2,849,757	3.3%

Source: 2010-2014 American Community Survey, Table DP05.

PERSONS WITH DISABILITIES

According to the 2010-2014 American Community Survey, of the total population in Region 13, persons with disabilities account for approximately 13.1% of the population. Of this total, approximately 95.0% are residing in urban areas, with the remaining 5.0% in rural areas.

Region 13 Persons with Disabilities

Region 13	Persons with disabilities	Total civilian Noninstitutionalized population*	% of persons with a disability to regional population	Statewide persons with a disability	Regional % of Statewide Population of Persons with a disability
Rural	5,426	24,177	22.4%	551,084	1.0%
Urban	102,259	798,912	12.8%	2,417,958	4.2%
Total	107,685	823,089	13.1%	2,969,042	3.6%

Source: 2010-2014 American Community Survey, Table DP02.

PERSONS WITH HIV/AIDS

There are 2,045 persons living with HIV/AIDS in Region 13. The number of people with HIV/AIDS as compared to Region 13's population is 0.24%, which is lower than the statewide percentage of 0.30%.

Region 13 Persons Living with HIV/AIDS, 2015

Region 13	Persons with HIV/AIDS	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	22	24,700	0.09%
Urban	2,023	823,862	0.25%
Total	2,045	848,562	0.24%

Source: Texas Department of State Health Services, 2016.

VETERANS

Of the population over 18 in Region 13, 8.7% are veterans. Region 13 has 3.2% of the statewide veteran population.

Region 13 Veteran Population

Region 13	Veteran Population	Non-Veteran Population 18 years and older	Percent of Veterans to Total Population 18 and older	Regional% of Statewide Veteran Population
Rural	1,637	17,198	8.7%	0.6%
Urban	49,163	517,215	8.7%	3.8%
Total	50,800	534,413	8.7%	3.2%

Source: 2010-2014 American Community Survey, Table S2101.

VICTIMS OF DOMESTIC VIOLENCE

In Region 13, victims of domestic violence comprise 0.7% of the region's population compared to the statewide rate of 0.8%. Incidents of violence in Region 13 make up 2.8% of the statewide total.

Region 13 Domestic Violence Incidents and Victims, 2015

Region 13	Total Incidents	Regional % of Statewide Incidents of Violence	Total Victims	% of Victims to Regional Population
Rural	49	0.2%	51	0.2%
Urban	5,391	3.1%	5,586	0.7%
Total	5,440	2.8%	5,637	0.7%

Source: Texas Department of Public Safety, 2016.

YOUTH AGING OUT OF FOSTER CARE

In Region 13, 100% of youth aging out of foster care live in urban areas. Region 13 has the lowest number of youth aging out of foster care compared to the other regions.

Region 13 Youth Aging out of Foster Care, SFY 2015

Region 13	Youth Aging Out of Foster Care	Regional% of Statewide Youth Aging Out of Foster Care
Rural	0	0.0%
Urban	17	1.8%
Total	17	1.4%

Source: Texas Department of Family and Protective Services, 2015.

REGION 13 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, housing needs and the availability of subsidized housing.

HOUSING SUPPLY

According to the 2010-2014 American Community Survey, 4.6% of the housing units in Region 13 are in rural areas and 95.4% are in urban areas. Of the total housing stock, approximately 70.4% are single-family units, 23.0% are multifamily units, 6.6% are mobile homes and 0.1% are other types of housing.

Region 13 Housing Supply

Housing Supply	Rural	Urban	Total
Housing units, 1 unit	9,118	196,590	205,708
Housing units, 2 units	621	8,082	8,703
Housing units, 3 to 4 units	192	13,031	13,223
Housing units, 5 to 19 units	244	28,757	29,001
Housing units, 20 or more units	186	16,063	16,249
Housing units, mobile home	3,088	16,129	19,217
Housing units, other	38	250	288
Total housing units	13,487	278,902	292,389

Source: 2010-2014 American Community Survey, Table DP04.

ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional housing supply is 7.4%, which is higher than the statewide average of 5.2%.

Region 13 Assisted Multifamily Units

Multifamily Units	Region Total	Percent of assisted units in Region	Percent of units to State Total
TDHCA Units	8,707	40.06%	3.80%
HUD Units	1,886	8.68%	3.26%
Public housing authority Units	4,779	21.99%	8.78%
Section 8 Vouchers	6,106	28.10%	3.74%
USDA Units	255	1.17%	1.06%
Total	21,733	100.00%	4.11%

Source: HUD, 2016a; HUD, 2016b; U.S. Department of Agriculture, 2015.

HOUSING NEED

Of all households in Region 13 with housing problems, 77.9% are cost burdened, 3.5% are substandard and 18.6% are overcrowded. Additionally, households at or below 30% of AMFI are the largest income category with housing problems, comprising 27.6% of all households.

Urban Region 13 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	21,685	19,280	18,990	5,985	7,580	73,515
Lacking Kitchen and/or Plumbing	865	725	575	280	720	3,160
Overcrowding	3,245	3,625	3,895	2,195	4,485	17,445

Rural Region 13 Households with Housing Problems

Households	0 to 30% AMFI	>30 to 50% AMFI	>50 to 80% AMFI	>80 to 100% AMFI	>100% + AMFI	Region Total
Cost Burden	632	394	294	131	180	1,637
Lacking Kitchen and/or Plumbing	102	75	18	15	50	256
Overcrowding	98	84	124	34	161	501

Source: 2009-2013 CHAS Database, Table 3.

FORECLOSURES

One measure of affordability and availability is the number of foreclosures in the region. Region 13 has 2.6% of the State's total number of homeowners who received notices of public auction.

Region 13 Notices of Public Auction, SFY 2016

Region 13	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Rural	-	-	10	-	10
Urban	254	244	1	263	762
Total	254	244	11	263	772

Source: RealtyTrac, 2016

LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Assistance Request Inventory, the agency received 338 public assistance requests seeking assistance Region 13, which accounted for 0.3% of total requests.

Region 13 Public Assistance Request Inventory, SFY 2016

Types of Requests	Rural	Urban	Total
Barrier Removal	0	8	8
Emergency	3	102	105
Foreclosure Prevention	0	3	3
Homebuyer Assistance	2	28	30
Homebuyer Education	0	12	12
Legal	1	3	4
Other	0	2	2
Rental Assistance	0	80	80
Repair	7	25	32
Utility	5	85	90
Weatherization	5	21	26
Total Individual Requests	23	315	338

Source: TDHCA Public Request Inventory, 2016.

SECTION 3: ANNUAL LOW-INCOME HOUSING REPORT

The Annual Report required by Texas Government Code §2306.072 includes the following sections:

- The Operating and Financial Statements for the Texas Department of Housing and Community Affairs (“TDHCA” or “Department”) for State Fiscal Year 2016
- Statement of Activities: Describes TDHCA activities during the preceding year that served to address housing and community service needs
- Statement of Activities by Region: Describes TDHCA activities by region
- Housing Sponsor Report: Describes housing opportunities offered by TDHCA’s multifamily development inventory
- Analysis of the Distribution of Tax Credits: Provides an analysis of the sources, uses and geographic distribution of housing tax credits

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>.

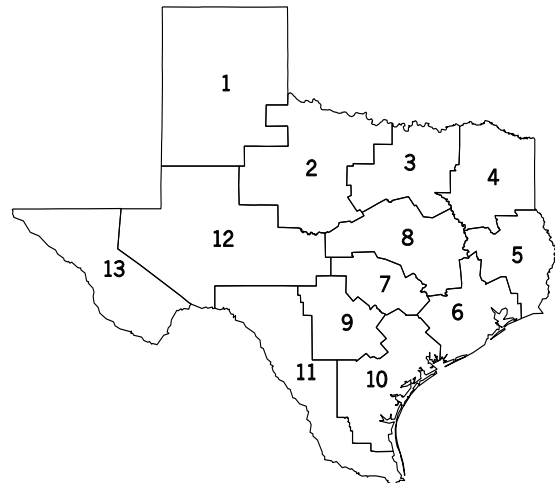
Please note that statistics in this section, with the exception of Housing Tax Credits awarded, are based on performance measure definitions.

STATEMENT OF ACTIVITIES

The Department has numerous housing programs that provide an array of services. This section of the Plan highlights TDHCA's activities and achievements during the preceding fiscal year through a detailed analysis of the following:

- TDHCA's performance in addressing the housing needs of low-, very low- and extremely low-income households
- TDHCA's progress in meeting its housing and community service goals

This analysis is provided at the State level and within each of the 13 service regions TDHCA uses for planning and allocation purposes (see Figure 2.1). For general information about each region, including housing needs and housing supply, please see the Housing Analysis chapter of this document.



2.1 TDHCA State Service Regions

FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY ACTIVITY AND PROGRAM

For the state and for each region, a description of funding allocations, target numbers and actual number of persons or households served for each program is provided. In addition, summary performance information and data on the following activity subcategories is provided.

Renter

- New construction activities support multifamily development.
- Rehabilitation construction activities support the acquisition, rehabilitation and preservation of multifamily units.
- Tenant-based assistance supports low-income Texans through direct rental payment assistance.

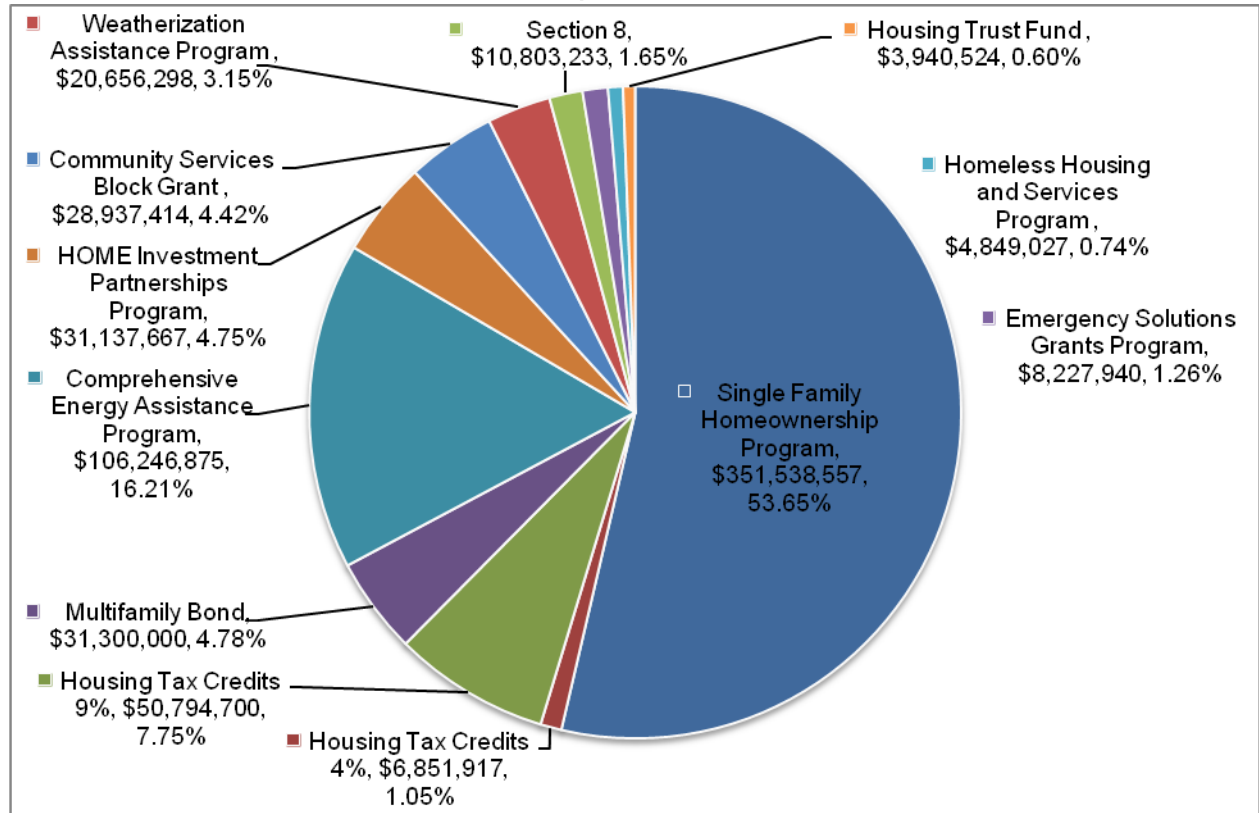
Owner

- Single-family development includes funding for housing developers, nonprofits, or other housing organizations to support the development of single-family housing.
- Single-family financing and homebuyer assistance helps households purchase a home through such activities as mortgage financing and down payment assistance.
- Single-family owner-occupied assistance helps existing homeowners who need home rehabilitation and reconstruction assistance. This also includes accessibility modifications made for homeowners.
- Community services include supportive services, energy assistance and homeless assistance activities.

In FY 2016, TDHCA committed \$655,423,968 in total funds and tax credit assistance. The vast majority of funding and assistance derives from federal or federally-authorized resources or market-based loan mechanisms. Just over one percent (Housing Trust Fund and the Homeless Housing and Services Program) came from state sources.

TDHCA committed funding and assistance for activities that predominantly benefited extremely low-, very low- and low-income individuals. The chart below displays the distribution of this funding and assistance by program.

Total Funding By Program FY 2016
Total Funds Expended: \$655,423,968



Activity	Funds	Percent
Single Family Homeownership Program	\$351,538,557	53.65%
Housing Tax Credits 4%	\$6,851,917	1.05%
Housing Tax Credits 9%	\$50,794,700	7.75%
Multifamily Bond	\$31,300,000	4.78%
Comprehensive Energy Assistance Program	\$106,246,875	16.21%
HOME Investment Partnerships Program	\$31,137,667	4.75%
Community Services Block Grant	\$28,937,414	4.42%
Weatherization Assistance Program	\$20,656,298	3.15%
Section 8	\$10,803,233	1.65%
Emergency Solutions Grants Program	\$8,227,940	1.26%
Homeless Housing and Services Program	\$4,849,027	0.74%
Housing Trust Fund	\$3,940,524	0.60%
Total	\$655,284,151	100.00%

FUNDING AND HOUSEHOLDS/PERSONS SERVED BY ACTIVITY, FY 2016, ALL ACTIVITIES

Activity	Expended Funds	Number of Households/ Individuals Served	% of Total Committed Funds	% of Total Households/ Individuals Served
Rental Assistance	\$14,347,243	1,510	2.2%	0.2%
Renter New Construction	\$88,101,790	5,145	13.4%	0.7%
Renter Rehab Construction	\$14,339,531	894	2.2%	0.1%
Owner Financing & Down Payment	\$354,794,752	3,055	54.1%	0.4%
Owner Rehabilitation Assistance	\$14,783,282	250	2.3%	0.0%
Homeless Services	\$13,076,967	33,297	2.0%	4.5%
Energy Related Services	\$126,903,172	139,455	19.4%	18.8%
Supportive Services	\$28,937,414	559,322	4.4%	75.3%
Total	\$655,284,151	742,928	100.0%	100.0%

FUNDING AND HOUSEHOLDS (HH) SERVED/UNITS BY HOUSING PROGRAM, FY 2016

Program	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds ¹	HOME HH ¹	HTF Funds ¹	HTF HH ¹	9% HTC Funds ²	9% HTC HH ²	4% HTC Funds ²	4% HTC HH ²	MF Bond Funds	MF Bond HH	Section 8 Funds ³	Section 8 HH ³
Rental Assistance	\$0	0	\$3,544,009.92	531	\$0	0	0	0	\$0	0	\$0	0	\$10,803,233	979
Rental New ⁴ Construction	\$0	0	\$11,954,703.50	69	\$0	0	\$47,636,678	3912	\$5,510,408	1,164	\$23,000,000	0	\$0	0
Rental ⁴ Rehabilitation	\$0	0	\$1,540,000	0	\$0	0	\$3,158,022	510	\$1,341,509	384	\$8,300,000	0	\$0	0
Owner Financing & Down Pmt. ⁵	\$351,538,556.65	2984	\$1,266,411.51	15	\$1,989,783.53	56	0	0	\$0	0	\$0	0	\$0	0
Owner Rehab. Asst ⁶	\$0	0	\$12,832,541.68	145	\$1,950,740.67	105	0	0	\$0	0	\$0	0	\$0	0
Total	\$351,538,557	2,984	\$31,137,667	760	\$3,940,524	161	\$50,794,700	4422	\$6,851,917	1,548	\$31,300,000	0	\$10,803,233	979

¹HOME and HTF funds and households reflect activities closed during the fiscal year and associated total funding for each household served through closed activities.

²9% HTCs refer to the annual per capita allocation of tax credits Texas receives from the IRS. In addition to this annual per capita 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.

³Figures for Section 8 do not correspond to performance measures submitted to the Legislative Budget Board (LBB).

⁴Most HOME-funded rental development units also receive tax credits so are also reflected in the 9% HTC or 4% HTC households served. All MF Bond funded units also receive tax credit and are also included in the 4% HTC household served.

⁵In addition to traditional down payment assistance, HOME data under this category include Contract for Deed assistance, homebuyer assistance combined with barrier removal, and single-family development. Likewise HTF data under this category include the Texas Bootstrap Program.

⁶HTF data under this category include the Amy Young Barrier Removal Program.

Funding and Households (HH) /Individuals (IND) Served by Community Affairs Programs, FY 2016

Program	ESG¹ Funds	ESG¹ Ind	CSBG^{1,2} Funds	CSBG^{1, 2, 3} Ind	CEAP² Funds	CEAP² HH	WAP² Funds	WAP² HH	HHSP Funds	HHSP Ind
Homeless Services	\$8,227,939.76	26,859	\$0	0	\$0	0	\$0	0	\$4,849,027.44	6,438
Energy Related	\$0	0	\$0	0	\$106,246,874.53	136,071	\$20,656,297.68	3,384	\$0	0
Supportive Services	\$0	0	\$28,937,413.90	559,322	\$0	0	\$0	0	\$0	0
Total⁴	\$8,227,940	26,859	\$28,937,414	559,322	\$106,246,875	136,071	\$20,656,298	3,384	\$4,849,027	6,438

¹For these programs, funds and households served reflect different 12-month periods.

²ESG, CSBG and HHSP programs represent individuals served, not households.

³Reflects persons served directly through CSBG funding.

⁴Figures for ESG, CSBG, and HHSP do not correspond to performance measures submitted to the Legislative Budget Board (LBB) due to timing issues.

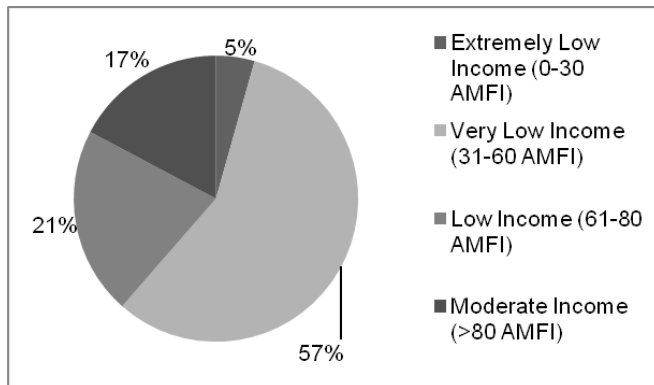
FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY INCOME GROUP

The SLIHP uses the following subcategories to refer to the needs of households or persons within specific income groups.

- Extremely Low Income (ELI): 0% to 30% Area Median Family Income (AMFI)
- Very Low Income (VLI): 31% to 60% AMFI
- Low Income (LI): 61% to 80% AMFI
- Moderate Income and Up (MI): >80% AMFI

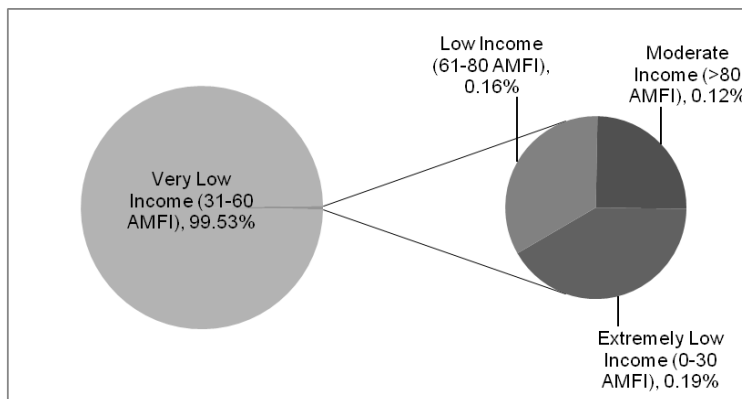
The vast majority of households and individuals served through CEAP, CSBG, ESG, HHSP, and WAP earn less than 30 percent of the AMFI. However, tracking of assistance from CEAP, CSBG, and WAP are based on poverty guidelines, which do not translate easily to an AMFI equivalent. For conservative reporting purposes, assistance in these programs is reported in the VLI category.

Total Funding by Income Level, FY 2016



Type	Percent
Extremely Low Income (0-30 AMFI)	17%
Very Low Income (30-60 AMFI)	57%
Low Income (61-80 AMFI)	21%
Moderate Income (>80 AMFI)	17%

Total Households and Individuals Served by Income Level, FY 2016



Type	Percent
Extremely Low Income (0-30 AMFI)	0.19%
Very Low Income (31-60 AMFI)	99.53%
Low Income (61-80 AMFI)	0.16%
Moderate Income (>80 AMFI)	0.12%

FUNDING AND HOUSEHOLDS/PERSONS SERVED BY INCOME CATEGORY, FY 2016

All Activities

Activity	Expended Funds	Number of Households/ Individuals Served	% of Total Expended Funds	% of Total Households/ Individuals Served
Extremely Low Income (0-30 AMFI)	\$82,259,598	6,317	13%	0.85%
Very Low Income (31-60 AMFI)	\$320,251,986	734,578	49%	98.88%
Low Income (61-80 AMFI)	\$139,759,446	1,168	21%	0.16%
Moderate Income (>80 AMFI)	\$113,013,121	865	17%	0.12%
Total	\$655,284,151	742,928	100%	100.00%

Housing Activities

Income	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC 9% HH	HTC Funds 4%	HTC 4% HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$8,007,652.22	83	\$17,489,420.54	493	\$855,926.02	45	\$45,627,952.32	3955	\$6,461,683.21	1455	\$0	0	\$3,816,964	286
Very Low Income (31-60 AMFI)	\$94,274,003.36	944	\$10,715,601.59	240	\$2,820,351.96	104	\$5,166,747.68	467	\$390,233.79	93	\$31,300,000	0	\$6,667,494	656
Low Income (61-80 AMFI)	\$136,243,779.91	1092	\$2,932,644.48	27	\$264,246.22	12	\$0	0	\$0	0	\$0	0	\$318,775	37
Moderate Income (>80 AMFI)	\$113,013,121.16	866	\$0.00	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$351,538,557	2,9854	\$31,137,667	760	\$3,940,524	161	\$50,794,700	4,422	\$6,851,917	1,548	31,300,000	-	\$10,803,233	979

Community Affairs Activities

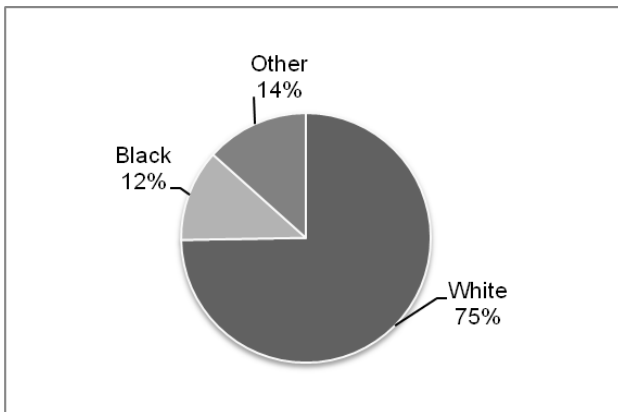
Income	ESG* Funds	ESG* Ind	CSBG* Funds	CSBG* Ind	CEAP Funds	CEAP HH	WAP Funds	WAP HH	HHSP* Funds	HHSP* Ind
Extremely Low Income (0-30 AMFI)	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$8,227,939.76	26,859	\$28,937,413.90	559,322	\$106,246,874.53	136,071	\$20,656,297.68	3,384	\$4,849,027.44	6,438
Low Income (61-80 AMFI)	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$8,227,940	26,859	\$28,937,414	559,322	\$106,246,875	136,071	\$20,656,298	3,384	4,849,027	6,438

*These programs report by individuals served rather than households served.

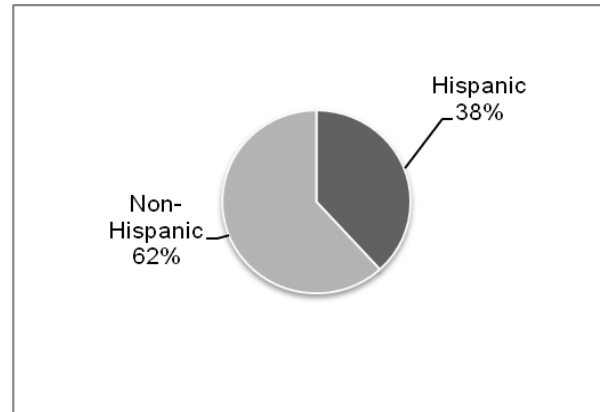
RACIAL AND ETHNIC COMPOSITION OF HOUSEHOLDS RECEIVING ASSISTANCE

As required by Texas Government Code §2306.072(C)(5), TDHCA reports on the racial and ethnic composition of individuals and families receiving assistance. These demographic categories are delineated according to the standards set by the U.S. Census Bureau. Accordingly, “race” is broken down into three sub-classifications: White, Black, and Other. “Other” includes races other than White and Black as well as individuals with two or more races. As ethnic origin is considered to be a separate concept from racial identity, the Hispanic population is represented in a separate chart. Persons of Hispanic origin may fall under any of the racial classifications. Households assisted through each TDHCA program or activity have been delineated according to these categories. Regional analyses of this racial data are included in the Statement of Activities by Region section that follows. Note that the State population racial composition charts examine individuals, while the many program racial composition charts examine households. Racial and ethnic data is not available for all individuals and households served.

Racial Composition of the State of Texas



Ethnic Composition of the State of Texas



Race	People	Percent
White	19,499,105	74.7%
Black	3,094,227	11.9%
Other	3,498,701	13.4%
Total	26,092,033	100.0%

Ethnicity	People	Percent
Non-Hispanic	16,129,390	61.8%
Hispanic	9,962,643	38.2%
Total	26,092,033	100.0%

Source: 2010-2014 American Community Survey, Table DP05.

HOUSING PROGRAMS

Racial and ethnic data on housing programs is presented below using two general categories: Renter Programs and Homeowner Programs.

RENTER PROGRAMS

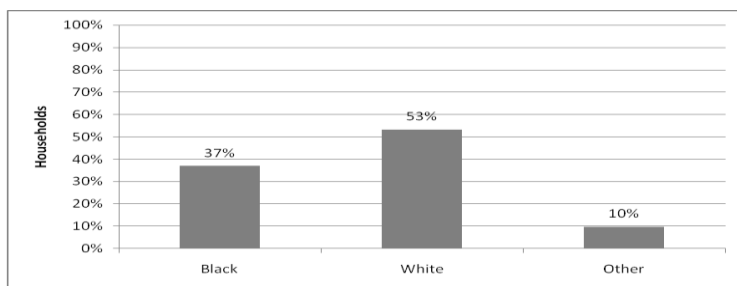
The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA renter programs. Included in this category are households participating in TDHCA’s Tenant-Based Rental Assistance (“TBRA”) Program and Section 8 Housing Choice Voucher Program, as well as households residing in TDHCA-funded or assisted multifamily properties.

Multifamily properties have received funding or assistance through one or more of the following TDHCA programs: the Housing Tax Credit (“HTC”) Program, Housing Trust Fund (“HTF”), HOME Investment Partnership Program (“HOME”) and Multifamily Bond (“MFB”) Program. Data for these programs is collected from the Housing Sponsor Report, which is gathered each year from TDHCA-funded and assisted housing developments. The report includes information about each property, including the racial composition of the tenant population as of December 31 of the given year. Accordingly, the 2016 report is a snapshot of property characteristics on December 31, 2015.

Housing tax credits are based on cost certifications. For actual awards for this fiscal year, see the end of the section.

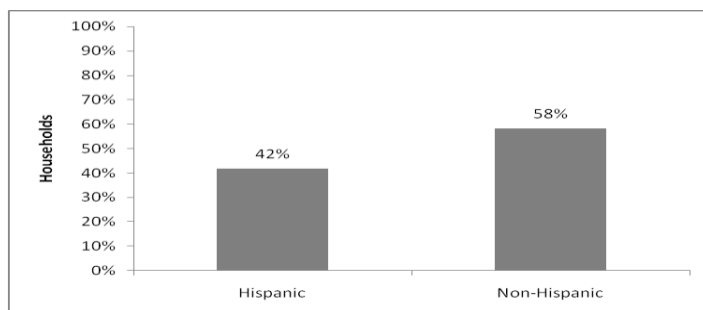
It should be noted that the Housing Sponsor Report is based on voluntary data and does not report on or represent all units financed or assisted by TDHCA. As a result, the following charts present a picture of race and ethnicity based on a subset of the properties and may not represent actual percentages.

Racial Composition – TDHCA-Assisted Renter Households



Race	Households (HH)	Percent
Black	164,680	37%
White	237,624	53%
Other	43,340	10%

Ethnic Composition – TDHCA-Assisted Renter Households

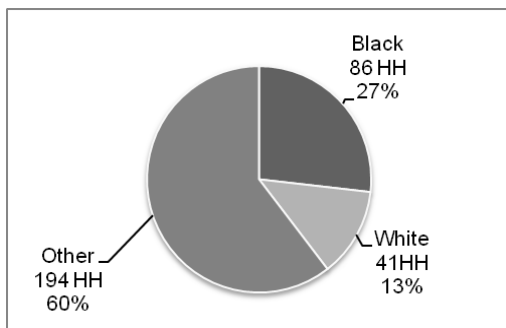


Ethnicity	Households	Percent
Hispanic	187,162	42%
Non-Hispanic	260,896	58%

HOMEOWNER PROGRAMS

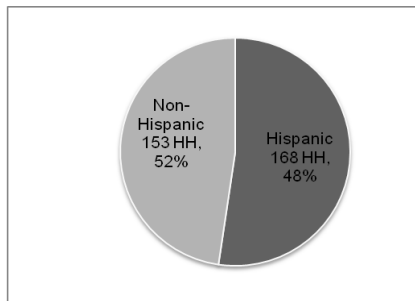
The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA homeowner programs. TDHCA homeowner assistance comes through several divisions: The Texas Homeownership Division, the HOME and Homeless Division, and the Single Family Operations and Services Division, which includes the Office of Colonia initiatives (“OCI”) and Housing Trust Fund (“HTF”). The Texas Homeownership Division offers the First Time Homebuyer Program, My First Texas Home and Mortgage Credit Certificate Programs. The HOME Division offers the Homeowner Rehabilitation Program, Homebuyer Assistance Program and Contract for Deed Program. The Single Family Operations and Services Division offers the Texas Bootstrap Program through OCI and the Contract for Deed Assistance Program through HTF. HTF activities reported in the charts and tables below include OCI’s Texas Bootstrap Program. Due to the data reporting techniques of the Texas Homeownership Division, race and ethnicity are combined into one category.

Racial Composition of HOME and HTF Program Owner Households



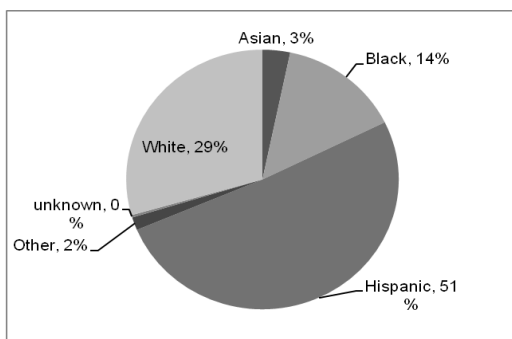
Race	Households	Percent
Black	86	27%
White	41	13%
Other	194	60%

Ethnic Composition of HOME and HTF Program Owner Households



Ethnicity	Households	Percent
Hispanic	168	52%
Non-Hispanic	153	48%

Racial & Ethnic Composition of My First Texas Home Program Owner Households



Ethnicity	Race	Households	Percent
Hispanic	-	1,520	51%
-	White	877	29%
-	Other	48	2%
-	Black	432	14%
-	Asian	98	3%

The available data demonstrates that TDHCA serves higher percentages of minority populations compared to the general racial and ethnic composition of the State of Texas. This is accurate even though racial composition charts on the State of Texas population report by individuals and TDHCA’s programs report by household. For instance, TDHCA programs that serve renters and HOME’s homeowner programs serve higher percentages of Black and Hispanic households than the percentage of those populations in the State of Texas.

COMMUNITY AFFAIRS PROGRAMS

The Community Affairs programs allocate funding to subrecipient entities with service areas that span two or more uniform TDHCA state service regions, so racial data for these programs are reported by entity rather than by region. Due to the data reporting techniques of the Weatherization Assistance Program (“WAP”), Comprehensive Energy Assistance Program (“CEAP”) and Community Service Block Grant (“CSBG”) Program, race and ethnicity are combined into one category. The Emergency Solutions Grant (“ESG”) reports race and ethnicity as two separate categories.

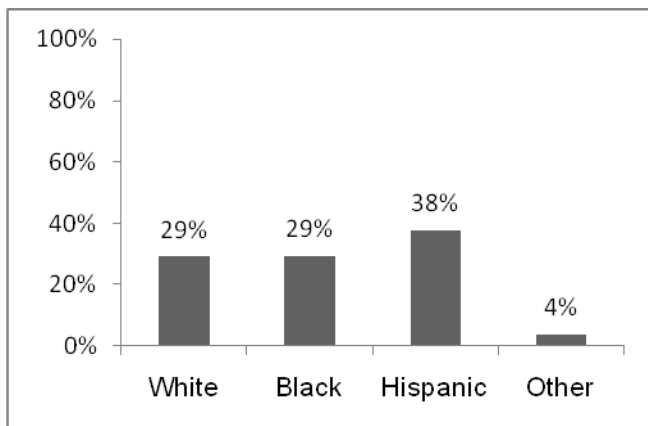
Note that some entities may have served a slightly different set of counties under different contracts. For the purpose of this report, all counties served will be grouped by subrecipients.

WEATHERIZATION ASSISTANCE PROGRAM

The WAP funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions. Because of this, WAP racial composition data for FY 2016 is listed according to subcontractor. Note that different subrecipients may end up serving the same county in different periods within the fiscal year. A map is provided in order to locate subrecipient service areas. Racial and ethnic composition for the state is available, but because this data does not align with regional boundaries, regional data are not available.

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. Negative amounts reflect adjustments from figures previously submitted.

Racial and Ethnic Composition of WAP Assisted Households Statewide, 2016

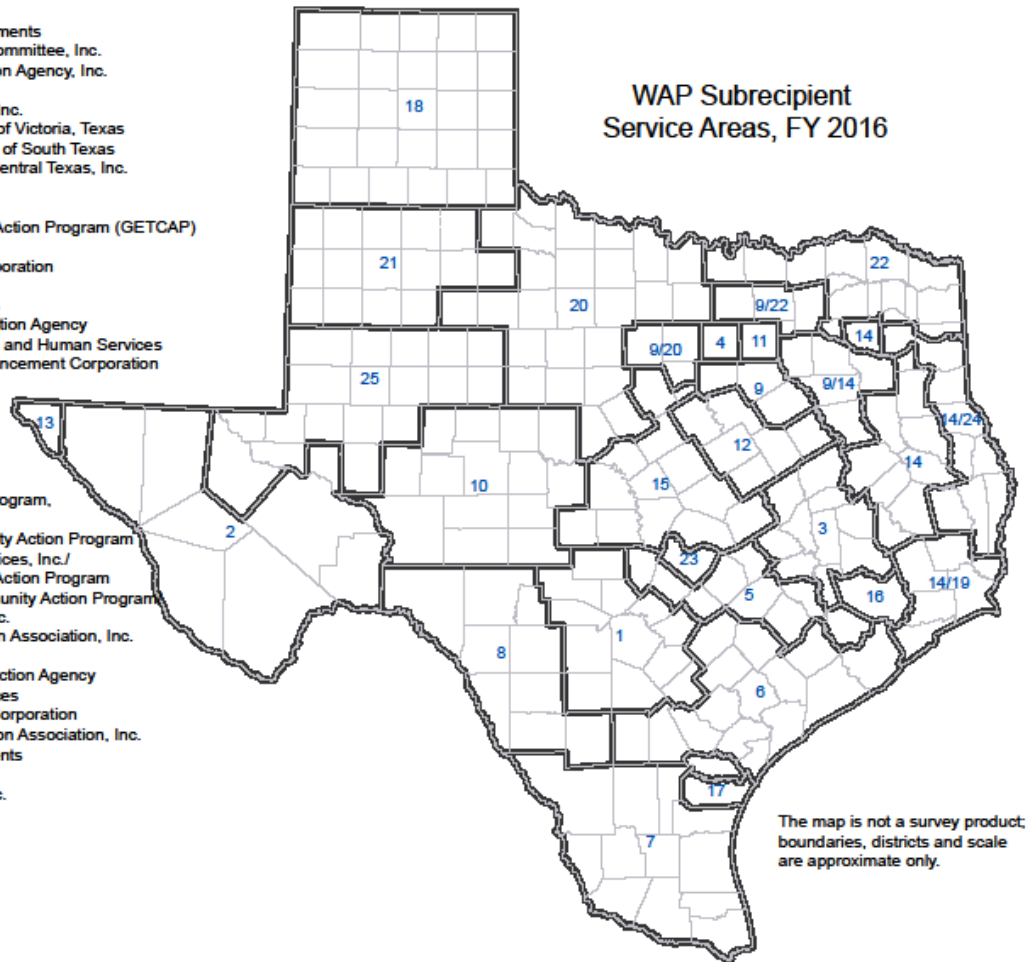


Ethnicity	Race	Percent
Hispanic	-	38%
-	Other	4%
-	White	29%
-	Black	29%

WAP Subrecipient Service Areas, Program Year (PY) 2016

- 1 Alamo Area Council of Governments
- 2 Big Bend Community Action Committee, Inc.
- 3 Brazos Valley Community Action Agency, Inc.
- 4 City of Fort Worth
- 5 Combined Community Action, Inc.
- 6 Community Action Committee of Victoria, Texas
- 7 Community Action Corporation of South Texas
- 8 Community Council of South Central Texas, Inc.
- 9 Community Services, Inc.
- 9/14 Community Services, Inc. /
- Greater East Texas Community Action Program (GETCAP)
- 9/20 Community Services, Inc. /
- Rolling Plains Management Corporation
- 9/22 Community Services, Inc. /
- Texoma Council of Governments
- 10 Concho Valley Community Action Agency
- 11 Dallas County Dept. of Health and Human Services
- 12 Economic Opportunities Advancement Corporation of PR XI

- 13 El Paso Community Action Program, Project Bravo, Inc.
- 14 Greater East Texas Community Action Program
- 14/19 Programs for Human Services, Inc./ Greater East Texas Community Action Program
- 14/24 Greater East Texas Community Action Program
- Tri-County Community Action, Inc.
- 15 Hill Country Community Action Association, Inc.
- 16 Neighborhood Centers Inc.
- 17 Nueces County Community Action Agency
- 18 Panhandle Community Services
- 20 Rolling Plains Management Corporation
- 21 South Plains Community Action Association, Inc.
- 22 Texoma Council of Governments
- 23 Travis County
- 25 West Texas Opportunities, Inc.



**Racial and Ethnic Composition of Households Receiving WAP Assistance
by Subrecipient Statewide, SFY 2016**

# on Map	Subrecipient	Counties Served	Expended	Households Served	White	Black	Hispanic	Other
1	Alamo Area Council of Governments	ATASCOSA, BANDERA, BEXAR, COMAL, FRIO, GILLESPIE, GUADALUPE, KARNES, KENDALL, KERR, MEDINA, WILSON	\$1,681,144.01	269	66	37	144	22
2	Big Bend Community Action Committee, Inc.	BREWSTER, CRANE, CULBERSON, HUDSPETH, JEFF DAVIS, PECOS, PRESIDIO, TERRELL	\$177,521.45	44	0	0	44	0
3	Brazos Valley Community Action Agency, Inc.	BRAZOS, BURLESON, GRIMES, LEON, MADISON, MONTGOMERY, ROBERTSON, WALKER, WALLER, WASHINGTON	\$671,669.79	103	34	60	8	1
4	City of Fort Worth	TARRANT	\$849,686.24	137	39	68	26	4
5	Combined Community Action, Inc.	AUSTIN, BASTROP, BLANCO, CALDWELL, COLORADO, FAYETTE, FORT BEND, HAYS, LEE	\$455,805.56	76	31	37	6	2
6	Community Action Committee of Victoria, Texas	ARANSAS, BEE, BRAZORIA, CALHOUN, DE WITT, GOLIAD, GONZALES, JACKSON, LAVACA, LIVE OAK, MATAGORDA, MCMULLEN, REFUGIO, VICTORIA, WHARTON	\$626,537.54	100	25	15	59	1
7	Community Action Corporation of South Texas	BROOKS, CAMERON, DUVAL, HIDALGO, JIM HOGG, JIM WELLS, KENEDY, KLEBERG, SAN PATRICIO, STARR, WEBB, WILLACY, ZAPATA	\$2,444,310.79	382	8	1	373	0
8	Community Council of South Central Texas, Inc.	DIMITT, EDWARDS, KINNEY, LA SALLE, MAVERICK, REAL, UVALDE, VAL VERDE, ZAVALA	\$541,772.17	81	8	0	73	0
9	Community Services, Inc.	ANDERSON, COLLIN, DENTON, ELLIS, HENDERSON, HOOD, HUNT, JOHNSON, KAUFMAN, NAVARRO, PALO PINTO, PARKER, ROCKWALL, SMITH, VAN ZANDT	\$447,571.41	99	60	31	7	1
10	Concho Valley Community Action Agency	COKE, COLEMAN, CONCHO, CROCKETT, IRION, KIMBLE, MCCULLOCH, MENARD, REAGAN, RUNNELS, SCHLEICHER, STERLING, SUTTON, TOM GREEN	\$455,514.74	69	28	6	35	0
11	Dallas County Department of Health	DALLAS	\$1,643,144.21	236	28	153	52	3

# on Map	Subrecipient	Counties Served	Expended	Households Served	White	Black	Hispanic	Other
	and Human Services							
12	Economic Opportunities Advancement Corporation of PR XI	BOSQUE, FALLS, FREESTONE, HILL, LIMESTONE, MCLENNAN	\$433,717.36	68	20	36	12	0
13	El Paso Community Action Program, Project Bravo, Inc.	EL PASO	\$924,444.82	171	155	0	16	0
14	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	\$1,282,664.06	240	74	132	34	0
15	Hill Country Community Action Association, Inc.	BELL, BURNET, CORYELL, ERATH, HAMILTON, LAMPASAS, LLANO, MASON, MILAM, MILLS, SAN SABA, SOMERVELL, WILLIAMSON	\$575,700.54	81	55	13	11	2
16	Neighborhood Centers Inc.	HARRIS	\$3,121,047.47	500	45	268	115	72
17	Nueces County Community Action Agency	NUECES	\$422,986.48	57	5	7	43	2
18	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	\$625,422.55	109	44	12	50	3
19	Programs for Human Services, Inc	CHAMBERS, GALVESTON, HARDIN, JEFFERSON, LIBERTY, ORANGE	\$256,228.68	54	26	28	0	0

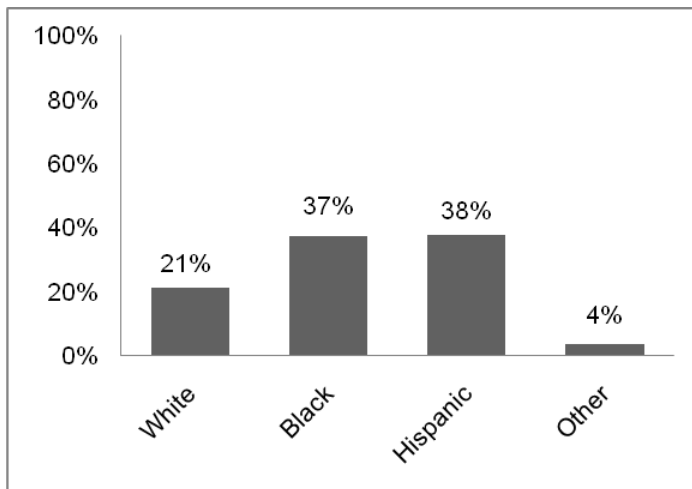
# on Map	Subrecipient	Counties Served	Expended	Households Served	White	Black	Hispanic	Other
20	Rolling Plains Management Corporation	ARCHER, BAYLOR, BROWN, CALLAHAN, CLAY, COMANCHE, COTTLE, EASTLAND, FOARD, HARDEMAN, HASKELL, HOOD, JACK, JONES, KENT, KNOX, MONTAGUE, PALO PINTO, PARKER, SHACKELFORD, STEPHENS, STONEWALL, TAYLOR, THROCKMORTON, WICHITA, WILBARGER, WISE, YOUNG	\$844,361.34	126	95	8	22	1
21	South Plains Community Action Association, Inc.	BAILEY, COCHRAN, CROSBY, DICKENS, FLOYD, GARZA, HALE, HOCKLEY, KING, LAMB, LUBBOCK, LYNN, MOTLEY, TERRY, YOAKUM	\$554,917.28	93	36	7	50	0
22	Texoma Council of Governments	BOWIE, CAMP, CASS, COLLIN, COOKE, DELTA, DENTON, FANNIN, FRANKLIN, GRAYSON, HOPKINS, HUNT, LAMAR, MARION, MORRIS, RAINS, RED RIVER, ROCKWALL, TITUS	\$639,615.30	97	62	31	1	3
23	Travis County	TRAVIS	\$392,887.29	91	20	19	38	14
24	Tri-County Community Action, Inc.	HARRISON, JASPER, NEWTON, PANOLA, SABINE, SAN AUGUSTINE, SHELBY, TYLER, UPSHUR	\$48,765.73	11	5	5	1	0
25	West Texas Opportunities, Inc.	ANDREWS, BORDEN, DAWSON, ECTOR, FISHER, GAINES, GLASSCOCK, HOWARD, LOVING, MARTIN, MIDLAND, MITCHELL, NOLAN, REEVES, SCURRY, UPTON, WARD, WINKLER	\$538,860.87	90	18	16	56	0
	Total		\$ 20,656,298	3,384	987	990	1,276	131

COMPREHENSIVE ENERGY ASSISTANCE PROGRAM (CEAP)

The CEAP funds a network of subrecipient organizations, some of which have a service area that spans two or more regions. Because of this, CEAP racial composition data for FY 2016 are listed by subcontractors. Note that different subrecipients may end up serving the same county in different periods within the fiscal year. A map is provided in order to locate subcontractor service area. Racial composition for the state are available, but because this data does not align with regional boundaries, regional data are not available.

Negative amounts reflect adjustments from figures previously submitted.

Racial and Ethnic Composition of CEAP-Assisted Households Statewide, FY 2016



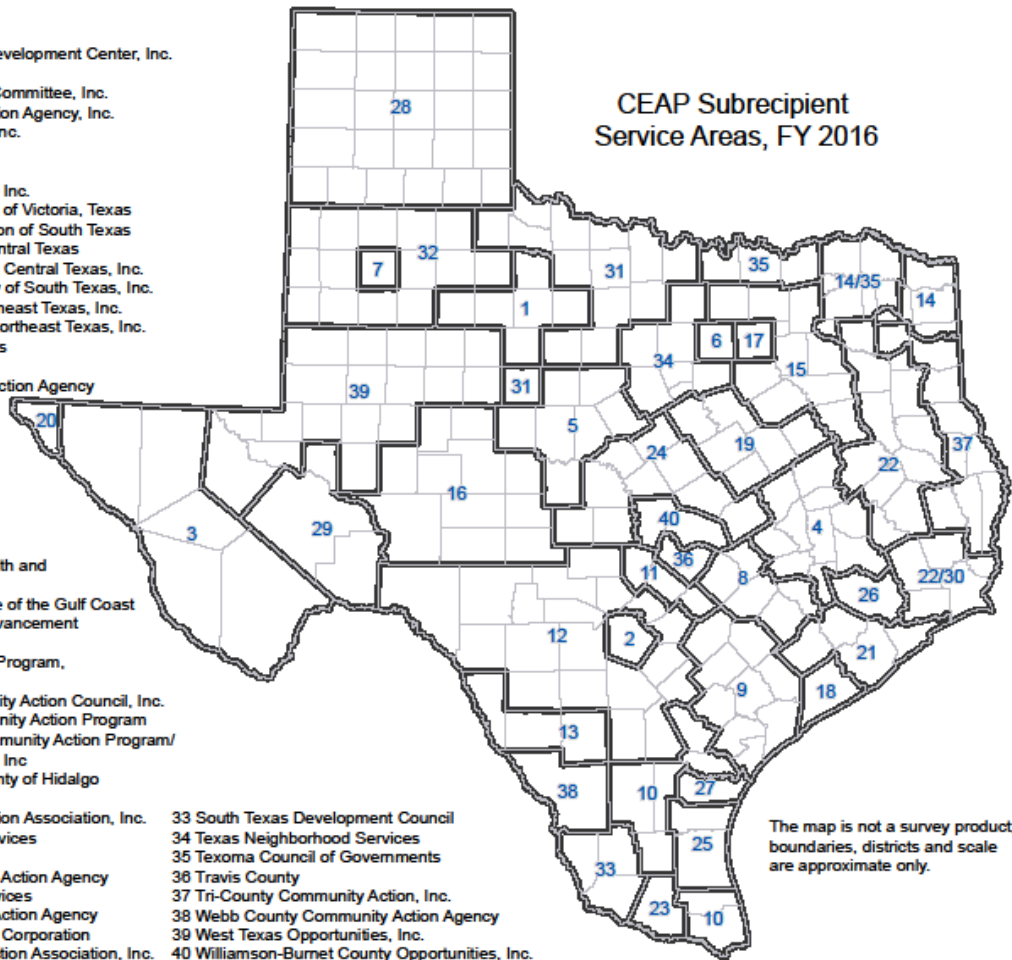
Ethnicity	Race	Percent
Hispanic	-	38%
-	Other	4%
-	White	21%
-	Black	37%

CEAP Subrecipient Service Areas, FY 2016

- 1 Aspermont Small Business Development Center, Inc.
- 2 Bexar County
- 3 Big Bend Community Action Committee, Inc.
- 4 Brazos Valley Community Action Agency, Inc.
- 5 Central Texas Opportunities, Inc.
- 6 City of Fort Worth
- 7 City of Lubbock
- 8 Combined Community Action, Inc.
- 9 Community Action Committee of Victoria, Texas
- 10 Community Action Corporation of South Texas
- 11 Community Action Inc. of Central Texas
- 12 Community Council of South Central Texas, Inc.
- 13 Community Services Agency of South Texas, Inc.
- 14 Community Services of Northeast Texas, Inc.
- 14/35 Community Services of Northeast Texas, Inc. Texoma Council of Governments
- 15 Community Services, Inc.
- 16 Concho Valley Community Action Agency

- 17 Dallas County Dept. of Health and Human Services
- 18 Economic Action Committee of the Gulf Coast
- 19 Economic Opportunities Advancement Corp. of PR XI
- 20 El Paso Community Action Program, Project Bravo, Inc.
- 21 Galveston County Community Action Council, Inc.
- 22 Greater East Texas Community Action Program
- 22/30 Greater East Texas Community Action Program/Programs for Human Services, Inc
- 23 Hidalgo County, Texas-County of Hidalgo Community Service Agency
- 24 Hill Country Community Action Association, Inc.
- 25 Kleberg County Human Services
- 26 Neighborhood Centers Inc.
- 27 Nueces County Community Action Agency
- 28 Panhandle Community Services
- 29 Pecos County Community Action Agency
- 31 Rolling Plains Management Corporation
- 32 South Plains Community Action Association, Inc.

- 33 South Texas Development Council
- 34 Texas Neighborhood Services
- 35 Texoma Council of Governments
- 36 Travis County
- 37 Tri-County Community Action, Inc.
- 38 Webb County Community Action Agency
- 39 West Texas Opportunities, Inc.
- 40 Williamson-Burnet County Opportunities, Inc.



**Racial and Ethnic Composition of Households Receiving CEAP Assistance
By Subrecipient Statewide, FY 2016**

# on Map	Subrecipient	Counties Served	Expended	Beneficiaries	White	Black	Hispanic	Other
1	Aspermont Small Business Development Center, Inc.	HASKELL, JONES, KENT, KNOX, STONEWALL, THROCKMORTON	\$631,885.07	868	397	94	366	11
2	Bexar County Community Resources	BEXAR	\$6,759,445.00	9,176	1,081	1,401	6,282	412
3	Big Bend Community Action Committee, Inc.	BREWSTER, CULBERSON, HUDSPETH, JEFF DAVIS, PRESIDIO	\$417,116.20	432	188	5	211	28
4	Brazos Valley Community Action Agency, Inc.	BRAZOS, BURLESON, GRIMES, LEON, MADISON, MONTGOMERY, ROBERTSON, WALKER, WALLER, WASHINGTON	\$3,792,273.49	5,001	1,742	2,563	650	46
5	Central Texas Opportunities, Inc.	BROWN, CALLAHAN, COLEMAN, COMANCHE, EASTLAND, MCCULLOCH, RUNNELS	\$1,191,889.57	1,275	1,005	83	131	56
6	City of Fort Worth	TARRANT	\$5,640,366.33	6,040	1,285	3,755	807	193
7	City of Lubbock	LUBBOCK	\$950,681.06	1,115	218	376	516	5
8	Combined Community Action, Inc.	AUSTIN, BASTROP, COLORADO, FAYETTE, LEE	\$739,851.77	696	264	350	80	2
9	Community Action Committee of Victoria, Texas	ARANSAS, CALHOUN, DE WITT, GOLIAD, GONZALES, JACKSON, LAVACA, REFUGIO, VICTORIA	\$1,218,888.61	1,468	406	404	649	9
10	Community Action Corporation of South Texas	BEE, BROOKS, CAMERON, DUVAL, JIM WELLS, SAN PATRICIO, WILLACY	\$5,430,448.55	7,832	126	16	7,684	6
11	Community Action Inc. of Central Texas	BLANCO, CALDWELL, HAYS	\$756,187.36	892	539	137	196	20

# on Map	Subrecipient	Counties Served	Expended	Beneficiaries	White	Black	Hispanic	Other
12	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	\$3,966,360.92	4,926	1,276	181	3,446	23
13	Community Services Agency of South Texas, Inc.	DIMITT, LA SALLE, MAVERICK	\$678,308.71	633	10	1	622	0
14	Community Services of Northeast Texas, Inc.	BOWIE, CAMP, CASS, DELTA, FRANKLIN, HOPKINS, LAMAR, MARION, MORRIS, RAINS, RED RIVER, TITUS	\$1,486,190.64	2,007	657	1,278	57	15
15	Community Services, Inc.	ANDERSON, COLLIN, DENTON, ELLIS, HENDERSON, HUNT, KAUFMAN, NAVARRO, ROCKWALL, VAN ZANDT	\$2,289,266.31	1,389	621	602	136	30
16	Concho Valley Community Action Agency	COKE, CONCHO, CROCKETT, IRION, KIMBLE, MENARD, REAGAN, SCHLEICHER, STERLING, SUTTON, TOM GREEN	\$1,454,424.87	2,007	647	168	1,173	19
17	Dallas County Department of Health and Human Services	DALLAS	\$7,377,673.74	11,606	1,088	9,449	931	138
18	Economic Action Committee of The Gulf Coast	MATAGORDA	\$187,057.18	209	47	109	51	2
19	Economic Opportunities Advancement Corporation of PR XI	BOSQUE, FALLS, FREESTONE, HILL, LIMESTONE, MCLENNAN	\$1,624,533.58	2,828	866	1,521	408	33
20	El Paso Community Action Program, Project Bravo, Inc.	EL PASO	\$5,150,847.51	5,089	723	181	4,081	104
21	Galveston County Community Action Council, Inc.	BRAZORIA, FORT BEND, GALVESTON, WHARTON	\$2,642,589.51	3,413	539	2,182	640	52

# on Map	Subrecipient	Counties Served	Expended	Beneficiaries	White	Black	Hispanic	Other
22	Greater East Texas Community Action Program (GETCAP)	ANGELINA, CHAMBERS, CHEROKEE, GREGG, HARDIN, HOUSTON, JEFFERSON, LIBERTY, NACOGDOCHES, ORANGE, POLK, RUSK, SAN JACINTO, SMITH, TRINITY, WOOD	\$4,953,647.27	6,767	1,946	4,417	291	113
23	Hidalgo County, Texas-County of Hidalgo Community Service Agency	HIDALGO	\$4,652,155.14	8,186	170	21	7,973	22
24	Hill Country Community Action Association, Inc.	BELL, CORYELL, HAMILTON, LAMPASAS, LLANO, MASON, MILAM, MILLS, SAN SABA	\$1,951,266.82	2,267	1,433	704	0	130
25	Kleberg County Human Services	KENEDY, KLEBERG	\$759,761.30	634	128	33	469	4
26	Neighborhood Centers Inc.	HARRIS	\$15,336,882.18	19,671	1,360	13,163	2,466	2,682
27	Nueces County Community Action Agency	NUECES	\$1,740,050.27	1,819	69	315	1,428	7
28	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	\$2,842,431.13	3,412	1,302	607	1,375	128
29	Pecos County Community Action Agency	CRANE, PECOS, TERRELL	\$451,420.22	559	83	10	465	1
30	Programs for Human Services, Inc	CHAMBERS, HARDIN, JEFFERSON, LIBERTY, ORANGE	\$1,043,596.12	1,196	239	915	15	27
31	Rolling Plains Management Corporation	ARCHER, BAYLOR, CLAY, COTTLE, FOARD, HARDEMAN, JACK, MONTAGUE, SHACKELFORD, STEPHENS, TAYLOR, WICHITA, WILBARGER, YOUNG	\$2,766,203.18	3,478	1,967	749	638	124

# on Map	Subrecipient	Counties Served	Expended	Beneficiaries	White	Black	Hispanic	Other
32	South Plains Community Action Association, Inc.	BAILEY, COCHRAN, CROSBY, DICKENS, FLOYD, GARZA, HALE, HOCKLEY, KING, LAMB, LYNN, MOTLEY, TERRY, YOAKUM	\$1,306,114.69	2,103	359	215	1,512	17
33	South Texas Development Council	JIM HOGG, STARR, ZAPATA	\$903,316.31	787	787	0	0	0
34	Texas Neighborhood Services	ERATH, HOOD, JOHNSON, PALO PINTO, PARKER, SOMERVELL, WISE	\$1,309,680.85	1,232	1,051	49	113	19
35	Texoma Council of Governments	COOKE, FANNIN, GRAYSON, DELTA, FRANKLIN, HOPKINS, LAMAR, RAINS, RED RIVER, TITUS	\$958,372.34	1,256	866	348	6	36
36	Travis County	TRAVIS	\$3,707,690.39	4,356	927	1,982	1,268	179
37	Tri-County Community Action, Inc.	HARRISON, JASPER, NEWTON, PANOLA, SABINE, SAN AUGUSTINE, SHELBY, TYLER, UPSHUR	\$1,978,825.28	2,818	1,041	1,661	99	17
38	Webb County Community Action Agency	WEBB	\$1,672,479.50	2,327	0	0	2,308	19
39	West Texas Opportunities, Inc.	ANDREWS, BORDEN, DAWSON, ECTOR, FISHER, GAINES, GLASSCOCK, HOWARD, LOVING, MARTIN, MIDLAND, MITCHELL, NOLAN, REEVES, SCURRY, UPTON, WARD, WINKLER	\$2,833,413.40	3,300	829	438	2,009	24
40	Williamson-Burnet County Opportunities, Inc.	BURNET, WILLIAMSON	\$693,282.16	1,001	732	253	0	16
	Total		\$106,246,874.53	136,071	29,014	50,736	51,552	4,769

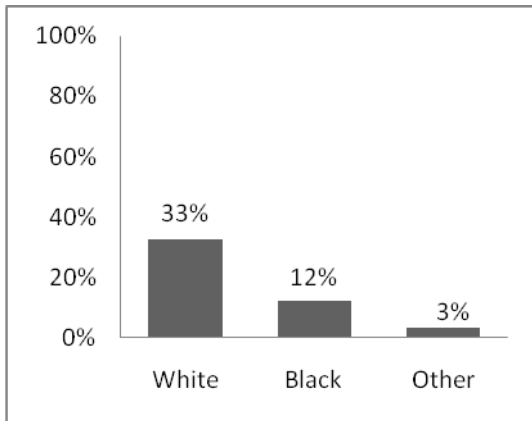
COMMUNITY SERVICES BLOCK GRANT PROGRAM (CSBG)

The CSBG Program funds a network of subcontractor organizations, some of which have a service area that spans two or more regions. In addition, some CSBG subcontractors have been awarded funding for special projects that overlap existing service areas. (The counties listed are being served by CSBG discretionary service providers and the regular CSBG eligible entities.) Because of this, CSBG racial composition data for FY 2016 are listed by subcontractor. Racial composition for the state are available, but because this data does not align with regional boundaries, regional data are not available.

Negative amounts reflect adjustments from figures previously submitted.

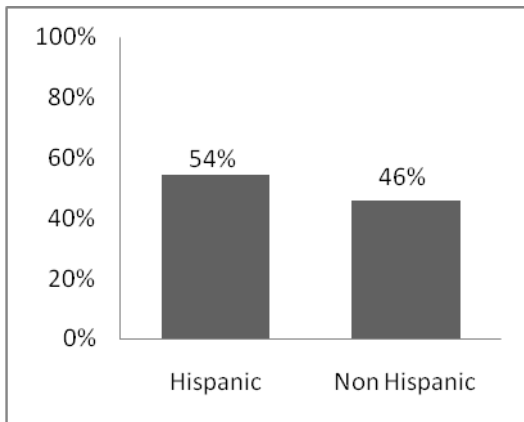
Racial and Ethnic Composition of Individuals Receiving CSBG Assistance Statewide FY 2016

Racial Composition



Race	Percent
Other	3%
White	33%
Black	12%

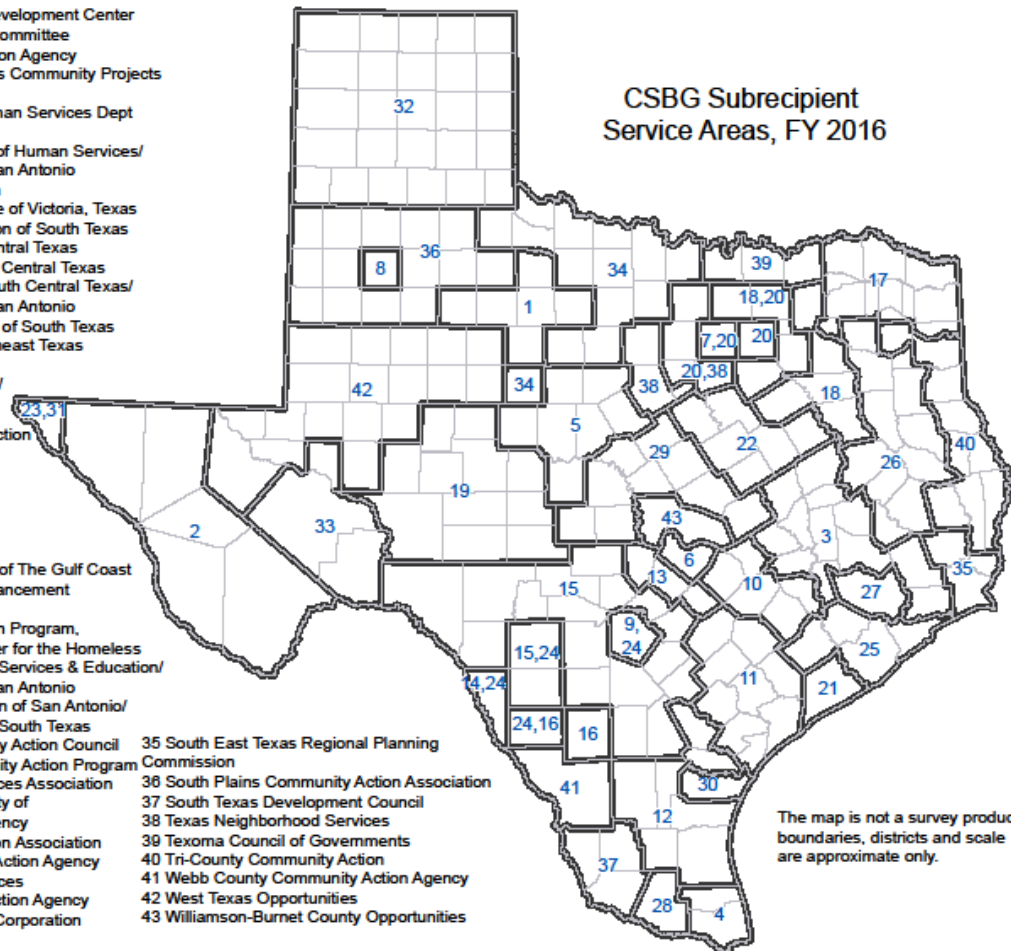
Ethnic Composition



Ethnicity	Percent
Hispanic	54%
Non-Hispanic	46%

CSBG Subrecipient Service Areas, FY 2016

- 1 Aspermont Small Business Development Center
- 2 Big Bend Community Action Committee
- 3 Brazos Valley Community Action Agency
- 4 Cameron and Willacy Counties Community Projects
- 5 Central Texas Opportunities
- 6 City of Austin, Health and Human Services Dept
- 8 City of Lubbock
- 9/24 City of San Antonio, Dept. of Human Services/
Family Service Association of San Antonio
- 10 Combined Community Action
- 11 Community Action Committee of Victoria, Texas
- 12 Community Action Corporation of South Texas
- 13 Community Action Inc. of Central Texas
- 15 Community Council of South Central Texas
- 15/24 Community Council of South Central Texas/
Family Service Association of San Antonio
- 16 Community Services Agency of South Texas
- 17 Community Services of Northeast Texas
- 18 Community Services, Inc.
- 18/20 Community Services, Inc./
Dallas Inter-Tribal Center
- 19 Concho Valley Community Action
Agency
- 20 Dallas Inter-Tribal Center
- 7/20 City of Fort Worth/
Dallas Inter-Tribal Center
- 20/38 Dallas Inter-Tribal Center/
Texas Neighborhood Services
- 21 Economic Action Committee of The Gulf Coast
- 22 Economic Opportunities Advancement
Corporation of PR XI
- 23/31 El Paso Community Action Program,
Project Bravo/Opportunity Center for the Homeless
- 14/24 Community Action Social Services & Education/
Family Service Association of San Antonio
- 24/16 Family Service Association of San Antonio/
Community Services Agency of South Texas
- 25 Galveston County Community Action Council
- 28 Greater East Texas Community Action Program
- 27 Gulf Coast Community Services Association
- 28 Hidalgo County, Texas-County of
Hidalgo Community Service Agency
- 29 Hill Country Community Action Association
- 30 Nueces County Community Action Agency
- 32 Panhandle Community Services
- 33 Pecos County Community Action Agency
- 34 Rolling Plains Management Corporation
- 35 South East Texas Regional Planning
Commission
- 36 South Plains Community Action Association
- 37 South Texas Development Council
- 38 Texas Neighborhood Services
- 39 Texoma Council of Governments
- 40 Tri-County Community Action
- 41 Webb County Community Action Agency
- 42 West Texas Opportunities
- 43 Williamson-Burnet County Opportunities



Note: Subrecipients in the table below that received discretionary funds were not included in the map.

**Racial Composition of Individuals Receiving CSBG Assistance by Subrecipient,
Statewide FY 2016**

# on Map	Contractor	Counties Served	FY 2014 CSBG Allocation	Individuals Served	Black	White	Other	Hispanic	Non-Hispanic
1	Aspermont Small Business Development Center, Inc.	HASKELL, JONES, KENT, KNOX, STONEWALL, THROCKMORTON	\$173,819.31	4,658	159	620	781	802	758
2	Big Bend Community Action Committee, Inc.	BREWSTER, CULBERSON, HUDSPETH, JEFF DAVIS, PRESIDIO	\$191,329.63	393	2	383	8	339	54
3	Brazos Valley Community Action Agency, Inc.	BRAZOS, BURLESON, CHAMBERS, GRIMES, LEON, LIBERTY, MADISON, MONTGOMERY, ROBERTSON, WALKER, WALLER, WASHINGTON	\$1,228,954.54	32,629	6,666	6,035	277	2,455	10,523
4	Cameron and Willacy Counties Community Projects, Inc.	CAMERON, WILLACY	\$976,466.96	6,370	11	6,359	0	6,320	50
5	Central Texas Opportunities, Inc.	BROWN, CALLAHAN, COLEMAN, COMANCHE, EASTLAND, MCCULLOCH, RUNNELS	\$214,283.77	2,760	157	2,382	221	754	2,006
6	City of Austin, Health and Human Services Dept	TRAVIS	\$1,129,052.28	49,748	1,094	1,605	142	1,234	1,607
7	City of Fort Worth	TARRANT	\$1,746,783.34	22,095	7,932	4,737	615	2,637	10,647
8	City of Lubbock	LUBBOCK	\$334,162.90	3,498	1,240	2,102	156	1,694	1,804
9	City of San Antonio, The Department of Human Services	BEXAR	\$1,967,668.37	143,005	3,545	21,859	5,608	24,434	6,578
10	Combined Community Action, Inc.	AUSTIN, BASTROP, COLORADO, FAYETTE, LEE	\$281,832.99	2,961	841	997	23	385	1,476
11	Community Action Committee of Victoria, Texas	ARANSAS, CALHOUN, DE WITT, GOLIAD, GONZALES, JACKSON, LAVACA, REFUGIO, VICTORIA	\$336,203.08	6,643	1,059	3,381	68	2,762	1,746
12	Community Action Corporation of South Texas	BEE, BROOKS, DUVAL, JIM WELLS, KENEDY, KLEBERG, SAN PATRICIO	\$289,718.90	29,509	56	21,880	33	21,621	348

# on Map	Contractor	Counties Served	FY 2014 CSBG Allocation	Individuals Served	Black	White	Other	Hispanic	Non-Hispanic
13	Community Action Inc. of Central Texas	BLANCO, CALDWELL, HAYS	\$243,515.19	3,469	351	1,969	71	1,529	862
14	Community Action Social Services & Education, Inc.	MAVERICK	\$198,409.91	373	0	373	0	369	4
15	Community Council of South Central Texas, Inc.	ATASCOSA, BANDERA, COMAL, EDWARDS, FRIO, GILLESPIE, GUADALUPE, KARNES, KENDALL, KERR, KINNEY, LIVE OAK, MCMULLEN, MEDINA, REAL, UVALDE, VAL VERDE, WILSON, ZAVALA	\$731,355.43	9,398	320	8,950	128	6,894	2,504
16	Community Services Agency of South Texas, Inc.	DIMITT, LA SALLE	\$154,832.83	3,831	1	363	3	363	4
17	Community Services of Northeast Texas, Inc.	BOWIE, CAMP, CASS, DELTA, FRANKLIN, HOPKINS, LAMAR, MARION, MORRIS, RAINS, RED RIVER, TITUS	\$360,361.73	3,739	2,060	1,213	320	253	3,340
18	Community Services, Inc.	ANDERSON, COLLIN, DENTON, ELLIS, HENDERSON, HUNT, KAUFMAN, NAVARRO, ROCKWALL, VAN ZANDT	\$1,003,891.11	6,648	2,310	2,875	138	779	4,544
19	Concho Valley Community Action Agency	COKE, CONCHO, CROCKETT, IRION, KIMBLE, MENARD, REAGAN, SCHLEICHER, STERLING, SUTTON, TOM GREEN	\$186,981.21	4,577	256	3,240	44	2,313	1,227
NA	Dallas Inter-Tribal Center*	COLLIN, DALLAS, DENTON, ELLIS, HOOD, JOHNSON, KAUFMAN, PARKER, ROCKWALL, TARRANT, WISE	\$55,961.01	69	14	3	52	18	51
21	Economic Action Committee of The Gulf Coast	MATAGORDA	\$175,711.73	727	169	242	8	165	254
22	Economic Opportunities Advancement Corporation of PR XI	BOSQUE, FALLS, FREESTONE, HILL, LIMESTONE, MCLENNAN	\$473,061.28	13,332	5,187	3,122	422	2,122	6,609
23	El Paso Community Action	EL PASO	\$1,216,564.46	-3,691	60	-3,164	-587	-2,990	-701

# on Map	Contractor	Counties Served	FY 2014 CSBG Allocation	Individuals Served	Black	White	Other	Hispanic	Non-Hispanic
	Program, Project Bravo, Inc.								
24	Family Service Association of San Antonio, Inc.*	BEXAR, DIMMIT, MAVERICK, UVALDE, ZAVALA	\$96,176.38	118	6	107	5	116	2
25	Galveston County Community Action Council, Inc.	BRAZORIA, FORT BEND, GALVESTON, WHARTON	\$1,151,461.94	9,174	5,402	3,439	333	2,297	6,877
26	Greater East Texas Community Action Program (GETCAP)	ANGELINA, CHEROKEE, GREGG, HOUSTON, NACOGDOCHES, POLK, RUSK, SAN JACINTO, SMITH, TRINITY, WOOD	\$870,637.64	14,991	8,787	5,527	309	1,204	13,419
27	Gulf Coast Community Services Association	HARRIS	\$5,525,089.75	59,258	5,138	1,635	347	1,606	5,514
28	Hidalgo County, Texas-County of Hidalgo Community Service Agency	HIDALGO	\$1,630,666.80	24,384	66	21,381	2,937	24,015	369
29	Hill Country Community Action Association, Inc.	BELL, CORYELL, HAMILTON, LAMPASAS, LLANO, MASON, MILAM, MILLS, SAN SABA	\$556,998.48	20,381	2,997	4,025	822	1,942	5,902
30	Nueces County Community Action Agency	NUECES	\$543,087.93	2,978	424	2,494	60	2,439	539
NA	Opportunity Center for the Homeless*	EL PASO	\$97,751.77	191	0	191	0	191	0
32	Panhandle Community Services	ARMSTRONG, BRISCOE, CARSON, CASTRO, CHILDRESS, COLLINGSWORTH, DALLAM, DEAF SMITH, DONLEY, GRAY, HALL, HANSFORD, HARTLEY, HEMPHILL, HUTCHINSON, LIPSCOMB, MOORE, OCHILTREE, OLDHAM, PARMER, POTTER, RANDALL, ROBERTS, SHERMAN, SWISHER, WHEELER	\$765,308.41	18,911	2,979	14,270	1,330	9,121	9,458
33	Pecos County Community Action Agency	CRANE, PECOS, TERRELL	\$139,015.18	1,318	24	1,276	18	1,142	176

# on Map	Contractor	Counties Served	FY 2014 CSBG Allocation	Individuals Served	Black	White	Other	Hispanic	Non-Hispanic
34	Rolling Plains Management Corporation	ARCHER, BAYLOR, CLAY, COTTLE, FOARD, HARDEMAN, JACK, MONTAGUE, SHACKELFORD, STEPHENS, TAYLOR, WICHITA, WILBARGER, YOUNG	\$365,039.26	8,896	1,700	4,240	2,309	2,322	5,927
35	South East Texas Regional Planning Commission	HARDIN, JEFFERSON, ORANGE	\$475,167.48	1,851	686	219	65	89	881
36	South Plains Community Action Association, Inc.	BAILEY, COCHRAN, CROSBY, DICKENS, FLOYD, GARZA, HALE, HOCKLEY, KING, LAMB, LYNN, MOTLEY, TERRY, YOAKUM	\$317,865.98	5,519	503	4,902	114	4,328	1,191
37	South Texas Development Council	JIM HOGG, STARR, ZAPATA	\$267,847.29	2,554	0	2,457	3	2,448	12
38	Texas Neighborhood Services	ERATH, HOOD, JOHNSON, PALO PINTO, PARKER, SOMERVELL, WISE	\$420,573.58	3,302	144	3,045	113	431	2,871
39	Texoma Council of Governments	COOKE, FANNIN, GRAYSON	\$229,090.38	3,502	733	2,129	88	354	2,596
40	Tri-County Community Action, Inc.	HARRISON, JASPER, NEWTON, PANOLA, SABINE, SAN AUGUSTINE, SHELBY, TYLER, UPSHUR	\$364,190.86	5,809	3,421	2,112	276	165	5,644
41	Webb County Community Action Agency	WEBB	\$502,142.64	6,786	0	6,784	2	6,761	25
42	West Texas Opportunities, Inc.	ANDREWS, BORDEN, DAWSON, ECTOR, FISHER, GAINES, GLASSCOCK, HOWARD, LOVING, MARTIN, MIDLAND, MITCHELL, NOLAN, REEVES, SCURRY, UPTON, WARD, WINKLER	\$694,265.30	12,662	1,300	8,347	294	6,613	3,328
43	Williamson-Burnet County Opportunities, Inc.	BURNET, WILLIAMSON	\$254,114.89	9,996	663	1,763	77	913	1,590
	Total		\$ 28,937,414	559,322	68,463	181,869	18,033	145,749	122,616

*These contractors received CSBG discretionary funds for specialized activities.

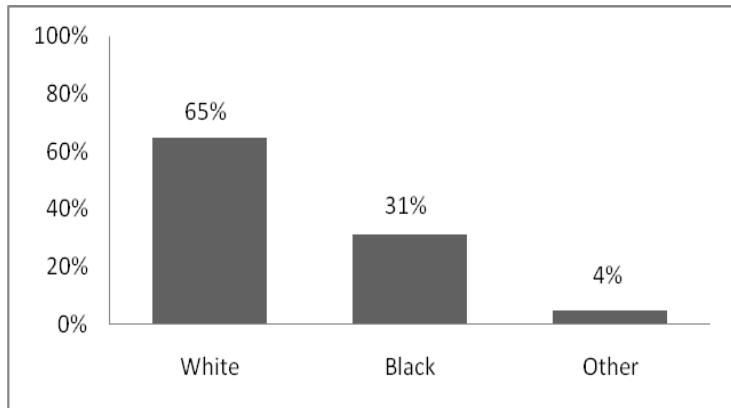
^ Contractors will provide and/or facilitate access to training and technical assistance in best practices and program management development. Subrecipient coordinated efforts to address homelessness among homeless service providers.

EMERGENCY SOLUTIONS GRANTS PROGRAM (ESG)

The ESG program competitively funds a network of subrecipient organizations, some of which have service areas that span two or more regions; multiple subrecipients may be serving the same area. Because of this, ESG racial composition data for FY 2016 are listed by subrecipients. Racial composition data for the state are available, but unavailable at the regional level.

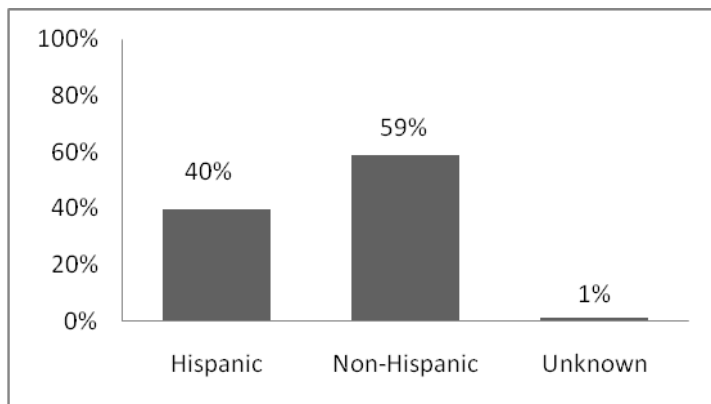
Negative amounts reflect adjustments from figures previously submitted.

Racial Composition of Individuals Receiving ESG Assistance Statewide, FY 2016



Race	Percent
Other	4%
White	65%
Black	31%

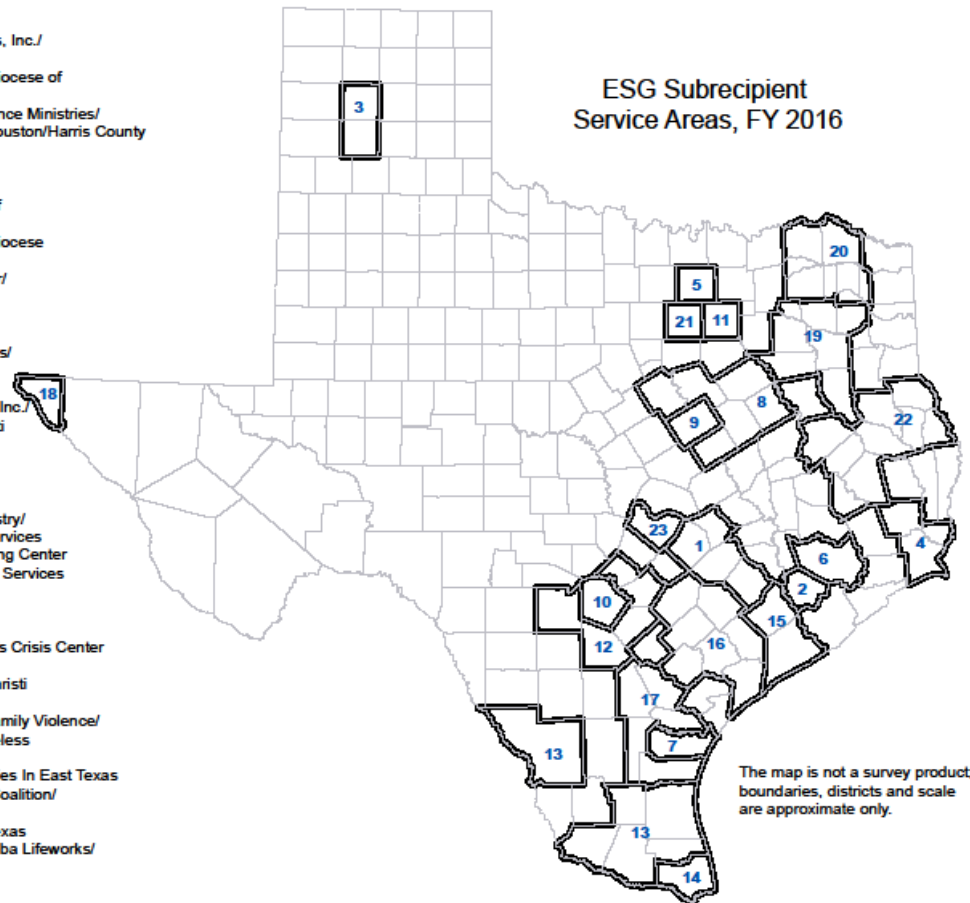
Ethnic Composition of Individuals Receiving ESG Assistance Statewide, FY 2016



Ethnicity	Percent
Hispanic	40%
Non-Hispanic	59%
Unknown	1%

ESG Subrecipient Service Areas, FY 2016

- 1 Advocacy Outreach
- 2 Bridge Over Troubled Waters, Inc./
Salvation Army - Houston/
Catholic Charities of the Archdiocese of
Galveston-Houston/
- Alliance of Community Assistance Ministries/
Coalition for the Homeless of Houston/Harris County
- 3 City of Amarillo
- 4 City of Beaumont
- 5 City of Denton
- 6 Coalition for the Homeless of
Houston/Harris County/
Catholic Charities of the Archdiocese
of Galveston-Houston/
Houston Area Women's Center/
Bridge Over Troubled Waters/
SEARCH Homeless Services/
Salvation Army - Houston/
Northwest Assistance Ministries/
Alliance of Community
Assistance Ministries
- 7 Corpus Christi Hope House, Inc./
Salvation Army - Corpus Christi
- 8 Family Abuse Center
- 9 Family Abuse Center, Inc./
Salvation Army - Waco
- 10 Family Endeavors, Inc./
San Antonio Metropolitan Ministry/
Family Violence Prevention Services
- 11 Family Place/Shared Housing Center
- 12 Family Violence Prevention Services
- 13 La Posada Providencia
- 14 La Posada Providencia/
Friendship of Women
- 15 Matagorda County Women's Crisis Center
- 16 Mid-Coast Family Services
- 17 Salvation Army - Corpus Christi
- 18 Salvation Army - El Paso/
Project Vida/Center Against Family Violence/
El Paso Coalition for the Homeless
- 19 Salvation Army - Tyler
- 20 Shelter Agencies For Families In East Texas
- 21 Tarrant County Homeless Coalition/
SafeHaven of Tarrant County
- 22 Women's Shelter of East Texas
- 23 Youth and Family Alliance dba Lifeworks/
Advocacy Outreach



**Racial and Ethnic Composition of Individuals Receiving ESG Assistance
By Subrecipient Statewide, FY 2016**

Contractor	County Service Area	Expenditures	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic	Unknown
Advocacy Outreach	BASTROP, COLORADO, FAYETTE, LEE, TRAVIS	\$309,384.17	584	366	169	49	199	369	16
Alliance of Community Assistance Ministries, Inc.	FORT BEND, HARRIS	\$219,694.49	187	123	63	1	73	114	0
Bridge Over Troubled Waters, Inc., The	FORT BEND, HARRIS,	\$455,277.26	658	282	364	12	144	514	0
Catholic Charities of the Archdiocese of Galveston-Houston	FORT BEND, HARRIS,	\$195,479.17	421	108	290	23	67	347	7
Center Against Family Violence, Inc.	EL PASO	\$15,658.08	648	619	24	5	593	53	2
City of Amarillo	POTTER, RANDALL	\$105,436.80	1,119	751	282	86	249	850	20
City of Beaumont	HARDIN, JEFFERSON, ORANGE	\$16,053.17	27	11	16	0	0	27	0
City of Denton	DENTON	\$599,607.57	1,372	877	437	58	157	1,203	12
Coalition for the Homeless of Houston/Harris County	FORT BEND, HARRIS	\$55,038.09	86	43	43	0	29	57	0
Corpus Christi Hope House, Inc.	NUECES	\$167,893.54	373	320	40	13	254	119	0
El Paso Coalition for the Homeless	EL PASO	\$987.00	0	0	0	0	0	0	0
Family Abuse Center, Inc.	BOSQUE, FALLS, FREESTONE, HILL, LIMESTONE, MCLENNAN, NAVARRO	\$9,152.26	31	19	10	2	9	22	0
Family Endeavors, Inc.	BEXAR	\$301,183.46	741	468	238	35	272	481	-12
Family Place, The	DALLAS	\$486,245.37	887	342	544	1	226	627	34
Family Violence Prevention Services, Inc.	ATASCOSA, BEXAR, COMAL, GUADALUPE, MEDINA, WILSON	\$149,714.15	1,810	1,489	304	17	1,176	634	0
Friendship of Women, Inc.	CAMERON	\$565,871.66	1,302	1,290	11	1	1,220	79	3
Houston Area Women's Center	HARRIS	\$35,618.49	23	12	11	0	6	17	0

Contractor	County Service Area	Expenditures	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic	Unknown
La Posada Providencia	BROOKS, CAMERON, HIDALGO, KENEDY, STARR, WEBB, WILLACY	\$576,630.75	1,462	1,424	104	-66	1,247	212	3
Matagorda County Women's Crisis Center	MATAGORDA, WHARTON	\$42,354.87	112	62	50	0	41	71	0
Mid-Coast Family Services, Inc.	CALHOUN, DE WITT, GOLIAD, GONZALES, JACKSON, LAVACA, VICTORIA	\$297,084.40	697	461	151	85	314	381	2
Northwest Assistance Ministries	HARRIS	\$44,032.60	68	3	14	51	0	68	0
Project Vida	EL PASO	\$307,157.55	794	676	83	35	657	137	0
SafeHaven of Tarrant County	TARRANT	\$3,115.09	48	16	28	4	8	40	0
Salvation Army - Corpus Christi	BEE, JIM WELLS, KLEBERG, LIVE OAK, NUECES, SAN PATRICIO	\$285,239.18	1,144	972	167	5	568	576	0
Salvation Army - El Paso	EL PASO	\$10,337.95	1,031	972	30	29	842	184	5
Salvation Army - Houston	FORT BEND, HARRIS,	\$142,686.34	495	119	358	18	85	410	0
Salvation Army - Tyler	CHEROKEE, HENDERSON, RAINS, SMITH, UPSHUR, VAN ZANDT, WOOD	\$393,336.57	1,889	1,098	642	149	119	1,770	0
Salvation Army - Waco	MCLENNAN	\$74,356.47	574	314	205	55	72	457	45
San Antonio Metropolitan Ministry, Inc.	BEXAR	\$408,153.92	836	581	237	18	308	402	126
SEARCH Homeless Services	HARRIS	\$326,150.42	1,249	428	790	31	90	1,154	5
Shared Housing Center, Inc.	DALLAS	\$194,602.45	143	19	124	0	16	124	3
Shelter Agencies For Families In East Texas, Inc.	CAMP, DELTA, FRANKLIN, HOPKINS, LAMAR, MORRIS, RED RIVER, TITUS	\$170,204.33	762	364	367	31	112	650	0
Tarrant County Homeless Coalition	TARRANT	\$640,431.37	3,496	1,762	1,606	128	775	2,623	98

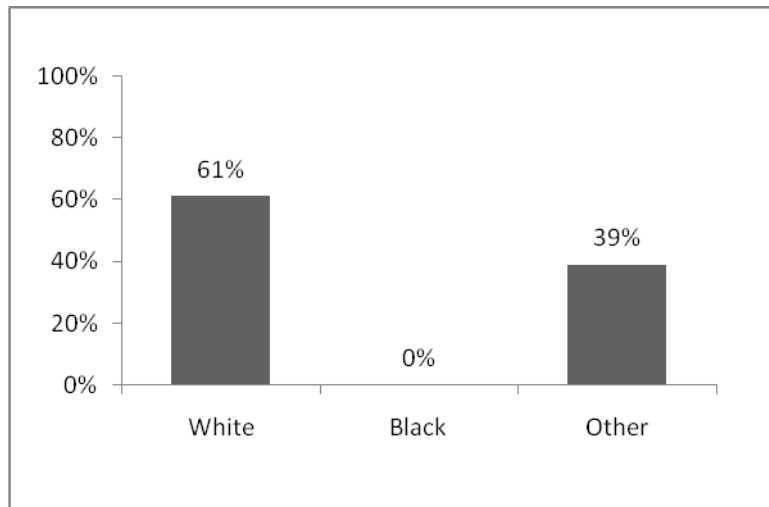
Contractor	County Service Area	Expenditures	Total Individuals	White	Black	Other	Hispanic	Non- Hispanic	Unknown
Women's Shelter of East Texas, Inc.	ANGELINA, HOUSTON, NACOGDOCHES, POLK, SABINE, SAN AUGUSTINE, SAN JACINTO, SHELBY, TRINITY	\$176,903.52	929	416	289	224	191	725	13
Youth and Family Alliance dba Lifeworks	TRAVIS	\$446,867.25	861	543	227	91	509	349	3
Totals		\$8,227,939.76	26,859	17,350	8,318	1,191	10,628	15,846	385

HOMELESS HOUSING AND SERVICES PROGRAM (“HHSP”)

The HHSP assists large metropolitan areas to provide services to homeless individuals and families, including case management, housing placement and retention, and construction. Beginning in 2010, TDHCA distributed these funds to be administered in the eight largest cities with populations larger than 285,500 persons, per the latest U.S. Census data. Cities may either use these funds themselves or may elect to subcontract some or all of the funds to one or more organizations serving their community whose mission includes serving homeless individuals and families with appropriate services targeted towards eliminating or preventing the condition of homelessness.

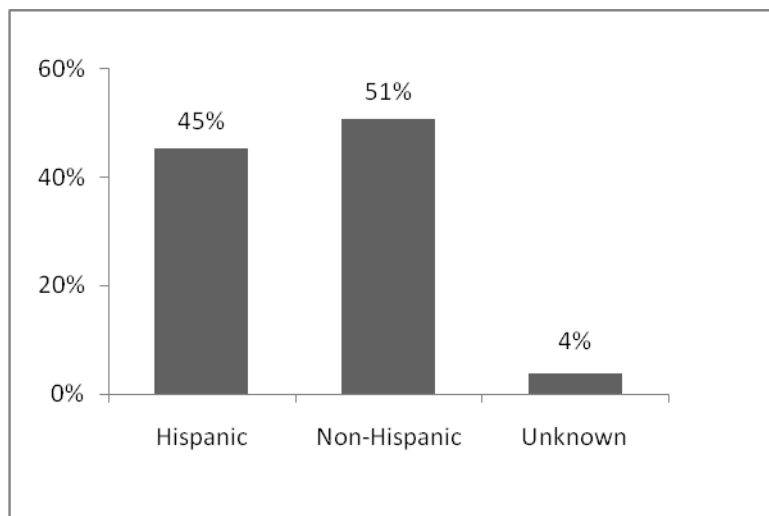
HHSP racial and ethnic composition data is listed by subrecipient. Racial and ethnic composition of those assisted by the program areas are provided below.

Racial Composition of Individuals Receiving HHSP Assistance, Statewide



Race	Percent
Other	39%
White	61%
Black	0%

Ethnic Composition of Individuals Receiving HHSP Assistance, Statewide



Ethnicity	Percent
Hispanic	45%
Non-Hispanic	51%
Unknown	4%

**Racial and Ethnic Composition of Individuals Receiving HHSP Assistance
By Subrecipient Statewide for SFY 2016**

Contractor	Service Area	Expenditures	Ind Served	White	Black	Other	Hispanic	Non-Hispanic	Unknown
City of Arlington	Arlington	181,646	183	34	0	149	30	152	1
City of Austin, Health and Human Services Dept	Austin	421,095	126	53	0	73	28	98	0
City of Dallas	Dallas	742,957	970	269	0	701	217	752	1
City of El Paso, Department of Community and Human Development	El Paso	354,529	1186	1,087	0	99	1,064	122	0
City of Houston	Houston	1,844,457	728	87	0	641	42	459	227
Haven for Hope of Bexar County	Bexar County	591,746	2385	1,785	0	600	1,154	1,216	15
Mother Teresa Shelter, Inc.	Corpus Christi	230,599	752	575	0	177	383	369	0
United Way of Tarrant County	Fort Worth	481,999	108	42	0	66	8	100	0
Grand Total		\$4,849,027	6,438	3,932	0	2,506	2,926	3,268	244

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 1,414,070 low-income (0-80% AMFI) renter households with housing problems and 934,800 low-income homeowners with housing problems, such as a cost burden, lack of kitchen or plumbing and overcrowding. This would equate to approximately 26.4% 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 2016 TDHCA housing programs served 10,855, or 0.5% of Texas low-income households with housing problems. This small percentage indicates the magnitude of housing need in Texas.

Community Affairs programs address a variety of needs, including energy assistance, emergency, and homelessness programs. Total assistance provided by TDHCA, including energy assistance, emergency and homelessness programs served 139,455 households and 592,619 persons in FY 2016. Community Affairs programs primarily serve individuals at or below 125% of the poverty level. In FY 2016 Community Affairs programs served 10.0% of the eligible population for homeless and poverty related assistance and 5.3% of very low income households eligible for energy assistance.

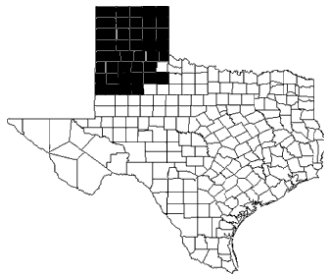
STATEMENT OF ACTIVITIES BY UNIFORM STATE SERVICE REGION

This section describes TDHCA's FY 2016 activities by Uniform State Service region. The regional tables do not include information for WAP, CEAP, ESG, CSBG and HHSP because funds are provided to subrecipient organizations whose coverage areas do not align with regional boundaries. Additionally, for purposes of reporting, Office of Colonia Initiatives data does not appear as an independent category, but rather the data is grouped under their respective funding sources. For example, most Contract for Deed activities are reported under the HOME Homebuyer Assistance Program.

As required by Texas Government Code §2306.072(c)(5), TDHCA reports on the racial composition of individuals and families receiving assistance. Because TDHCA does not accept applications directly from individuals for a majority of its programs, we are unable to report on the racial and ethnic composition of households applying for assistance. The racial and ethnic composition reflects actual households served in FY 2016. Single Family Homeownership and Section 8 program awards are the same as the actual households served in the same fiscal year. HOME, HTC, HTF, and MFB program awards represent a commitment made in FY 2016 to serve households. Racial and ethnic data for the latter programs represent households served in FY 2016 with previous years' awards. Therefore, the racial and ethnic pie charts will not correlate with the tables on subsequent pages for the HOME, HTC, HTF, and MFB programs.

Regional information has been organized into two broad categories of housing activity type: Renter Programs and Homeowner Programs. For more information on the housing activity types and racial reporting categories, please see "Racial and Ethnic Composition of Households Receiving Assistance" under the Statement of Activities section.

REGION 1

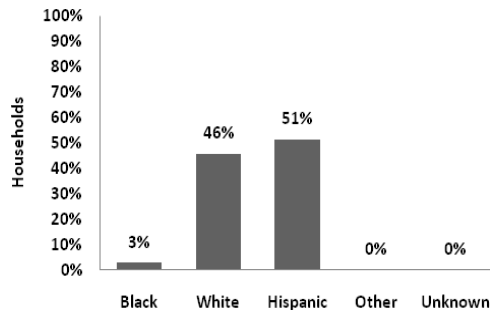


These charts represent the racial and ethnic composition of households served in FY 2016.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single-Family Homeownership program is presented in one combined chart.

SINGLE FAMILY HOMEOWNERSHIP PROGRAM

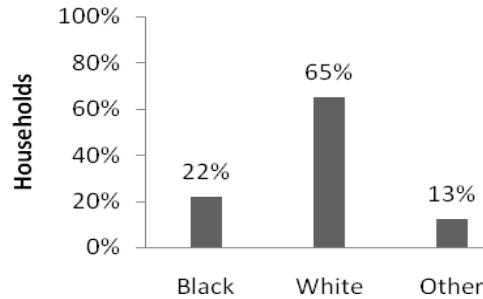
PERCENT OF EXPENDED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
Black		1	3%
White		16	46%
	Hispanic	18	51%
Other		0	0%
Unknown		0	0%

RENTER PROGRAMS

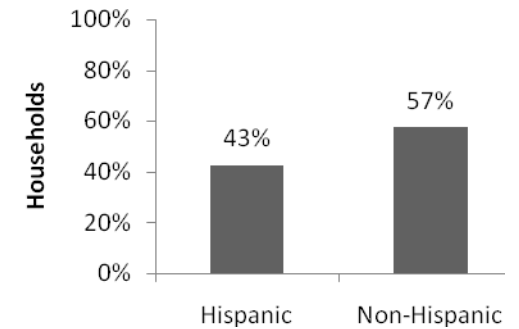
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	2,455	22%
White	7,213	65%
Other	1,387	13%

RENTER PROGRAMS

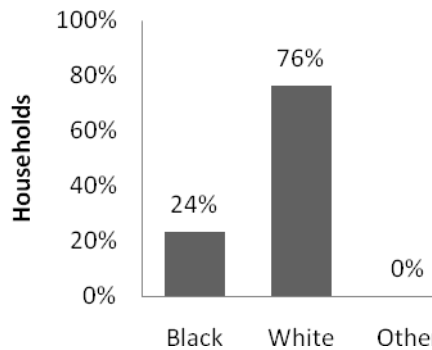
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	4,918	43%
Non-Hispanic	6,626	57%

HOME PROGRAM OWNER PROGRAMS

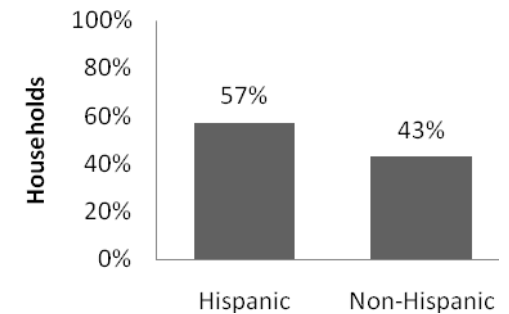
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	5	24%
White	16	76%
Other	0	0%

HOME PROGRAM OWNER PROGRAMS

PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	12	57%
Non-Hispanic	9	43%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 1

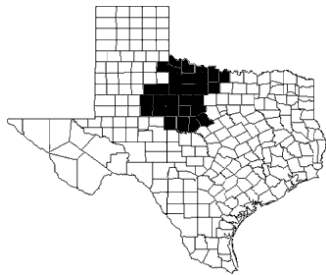
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Homeowner Programs	\$4,347,089.16	35	\$1,588,261.35	17	\$77,044	4	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$374,646	3	\$0	0	\$3,740,981	360	\$0	0	\$0	0	\$0	0
Total	\$4,347,089	35	\$1,962,907	20	\$77,044	4	\$3,740,981	360	\$0	0	\$0	0	\$0	0

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 1

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$604,340.15	9	\$40,000	2	\$353,432.82	34	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$1,823,774.92	16	\$1,265,722.20	10	\$20,000	1	\$3,387,548.18	326	\$0	0	\$0	0	\$0	0
Low Income (61-80 AMFI)	\$1,842,060.84	14	\$92,845	1	\$17,044	1	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$681,253.40	5	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$4,347,089	35	\$1,962,907	20	\$77,044	4	\$3,740,981	360	\$0	0	\$0	0	\$0	0

TDHCA allocated \$10,128,022 in Region 1 during FY 2016. Homeowner programs accounted for the largest segment of this total and the extremely low-income households group (0-30% AMFI) was the most served income group.

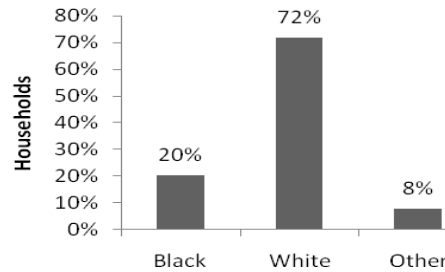
REGION 2



These charts represent the racial and ethnic composition of households served in FY 2016.

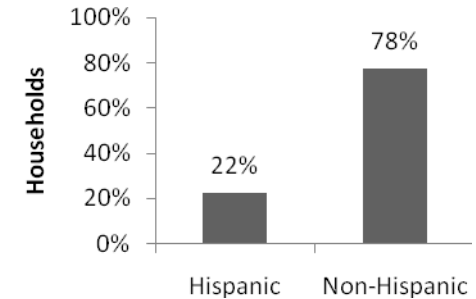
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



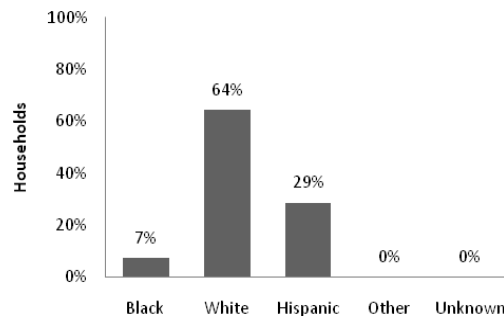
Race	Households	Percent
Black	1,398	20%
White	4,941	72%
Other	537	8%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



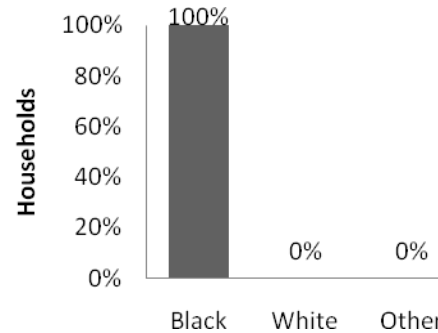
Ethnicity	Households	Percent
Hispanic	1,550	22%
Non-Hispanic	5,381	78%

SINGLE FAMILY HOMEOWNERSHIP PROGRAM
PERCENT OF EXPENDED FUNDS BY RACE AND ETHNICITY



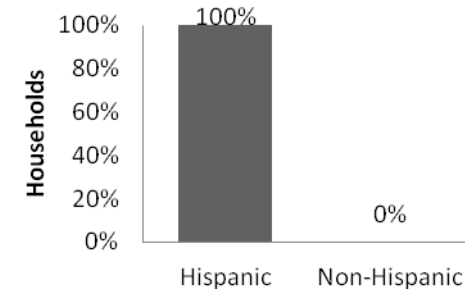
Race	Ethnicity	Households	Percent
Black		1	7%
White		9	64%
	Hispanic	4	29%
Other		0	0%
Unknown		0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	1	100%
White	0	0%
Other	0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	1	100%
Non-Hispanic	0	0%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 2

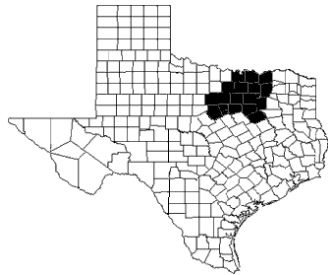
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Homeowner Programs	\$1,478,110.99	14	\$87,000.00	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$252,061.41	54	\$0	0	\$571,912	83	\$0	0	\$0	0	\$41,350	7
Total	\$1,478,111	14	\$339,061	55	\$0	0	\$571,912	83	\$0	0	\$0	0	\$41,350	7

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 2

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$302,481.19	42	0	0	\$62,014.55	9	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$792,666.40	8	\$33,375.11	12	0	0	\$509,897.45	74	\$0	0	\$0	0	\$41,350	7
Low Income (61-80 AMFI)	\$279,365.05	2	\$3,205.11	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$406,079.54	4	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$1,478,111	14	\$339,061	55	\$0	0	\$571,912	83	\$0	0	\$0	0	\$41,350	7

TDHCA allocated \$2,430,434 in Region 2 during FY 2016. Homeowner programs accounted for the largest segment of this total and the very low-income households group (31-60% AMFI) was the most served income group.

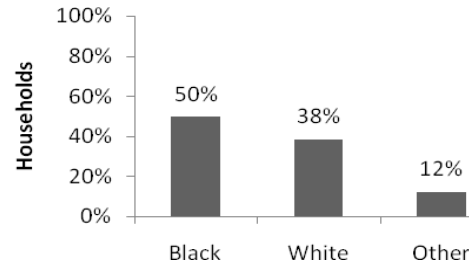
REGION 3



These charts represent the racial and ethnic composition of households served in FY 2016.

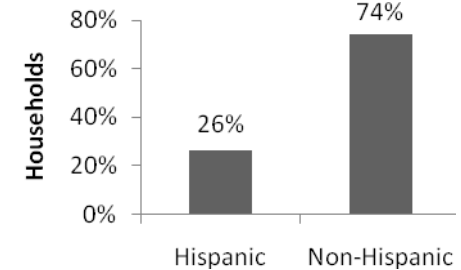
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



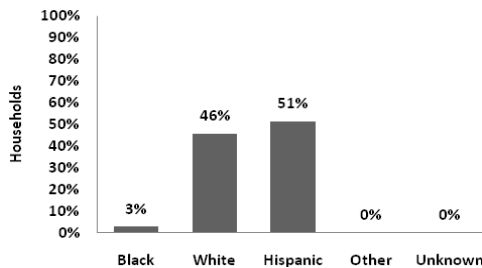
Race	Households	Percent
Black	61,220	50%
White	47,308	38%
Other	14,790	12%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



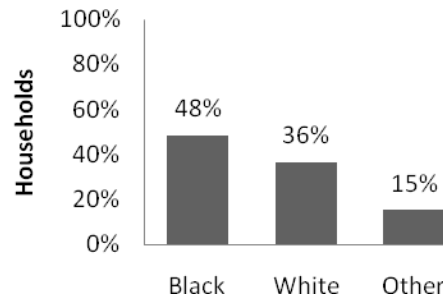
Ethnicity	Households	Percent
Hispanic	32,187	26%
Non-Hispanic	91,555	74%

SINGLE FAMILY HOMEOWNERSHIP PROGRAM
PERCENT OF EXPENDED FUNDS BY RACE AND ETHNICITY



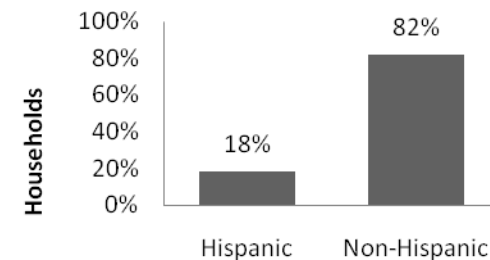
Race	Ethnicity	Households	Percent
Black		144	22%
White		247	39%
	Hispanic	212	33%
Other		37	6%
Unknown		1	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	16	48%
White	12	36%
Other	5	15%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	6	18%
Non-Hispanic	27	82%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 3

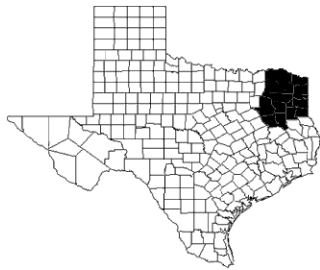
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Homeowner Programs	\$79,569,402.40	642	\$1,368,605.72	16	\$681,140	17	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$1,179,072.50	14	\$0	0	\$9,580,122	780	\$1,459,496	302	\$23,000,000	0	\$1,470,516	254
Total	\$79,569,402	642	\$2,547,678	30	\$681,140	17	\$9,580,122	780	\$1,459,496	302	\$23,000,000	0	\$1,470,516	254

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 3

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$2,853,338.07	25	\$891,033.70	20	\$45,000	1	\$943,001.85	81	\$0	0	\$0	0	\$492,770	80
Very Low Income (31-60 AMFI)	\$21,671,672.16	198	\$907,066.40	10	\$617,000	15	\$8,637,120.15	699	\$1,459,496	302	\$23,000,000	0	\$950,864	168
Low Income (61-80 AMFI)	\$30,491,204.71	235	\$749,578.13	0	\$19,140	1	\$0	0	\$0	0	\$0	0	\$26,882	6
Moderate Income (>80 AMFI)	\$24,553,187.46	183	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$79,569,402	641	\$2,547,678	30	\$681,140	17	\$9,580,122	780	\$1,459,496	302	\$23,000,000	0	\$1,470,516	254

TDHCA allocated \$118,308,355 in Region 3 during FY 2016. Homeowner programs accounted for the largest segment of this total and the very low income households group (31-60% AMFI) was the most served income group.

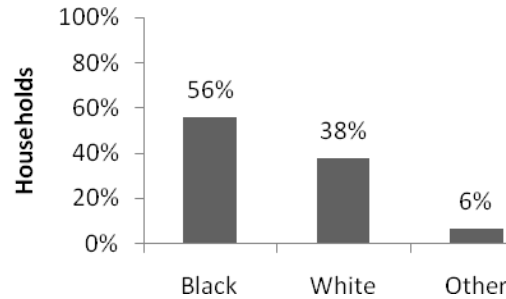
REGION 4



These charts represent the racial and ethnic composition of households served in FY 2016.

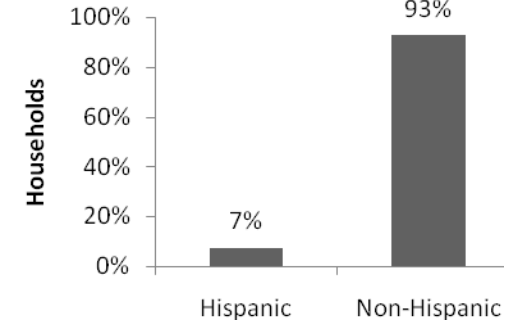
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



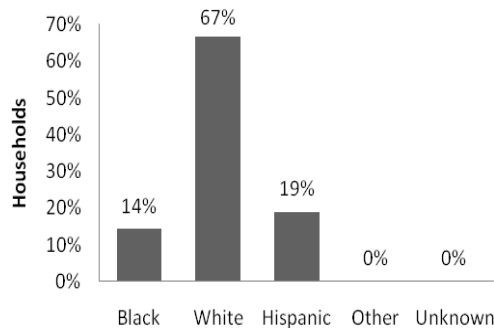
Race	Households	Percent
Black	7,753	56%
White	5,272	38%
Other	888	6%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



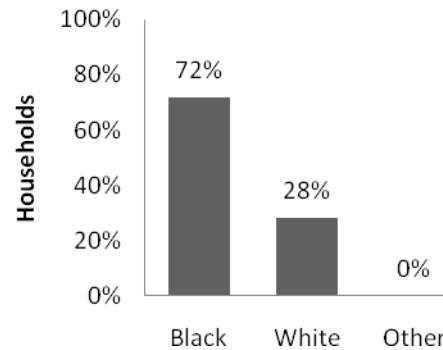
Ethnicity	Households	Percent
Hispanic	997	7%
Non-Hispanic	12,871	93%

SINGLE FAMILY HOMEOWNERSHIP PROGRAM
PERCENT OF EXPENDED FUNDS BY RACE



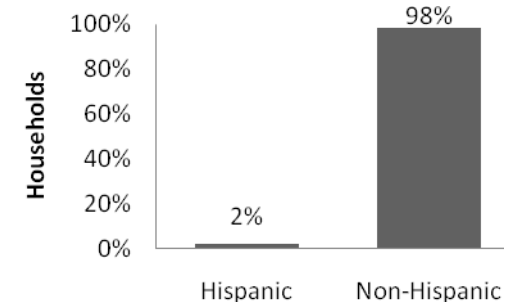
Race	Ethnicity	Households	Percent
Black		3	14%
White		14	67%
	Hispanic	4	19%
Other		0	0%
Unknown		0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	38	72%
White	15	28%
Other	0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	1	2%
Non-Hispanic	52	98%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 4

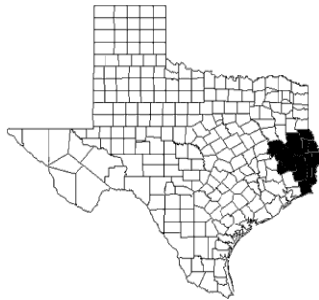
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	\$2,106,961.20	21	\$3,291,526.33	38	\$303,883.81	15	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$723,158.21	44	\$0	0	\$2,941,081	338	\$138,598	64	\$4,000,000	0	\$0	0
Total	\$2,106,961	21	\$4,014,685	82	\$303,884	15	\$2,941,081	338	\$138,598	64	\$4,000,000	0	\$0	0

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 4

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$254,207.53	3	\$1,683,437.56	44	\$110,316.30	6	\$288,106.40	33	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$428,614.36	6	\$2,142,613.22	35	\$193,567.51	9	\$2,652,974.60	305	\$138,598	64	\$4,000,000	0	\$0	0
Low Income (61-80 AMFI)	\$997,461.20	8	\$188,633.76	3	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$426,678.11	4	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$2,106,961	21	\$4,014,685	82	\$303,884	15	\$2,941,081	338	\$138,598	64	\$4,000,000	0	\$0	0

TDHCA allocated \$13,505,209 in Region 4 during FY 2016. Renter programs accounted for the largest segment of this total and the very low-income households group (31-60% AMFI) was the most served income group.

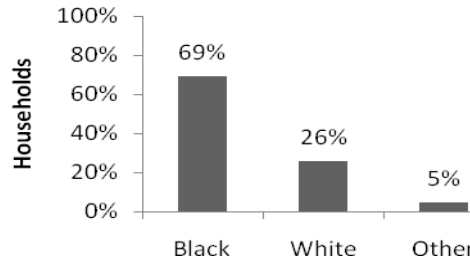
REGION 5



These charts represent the racial and ethnic composition of households served in FY 2016.

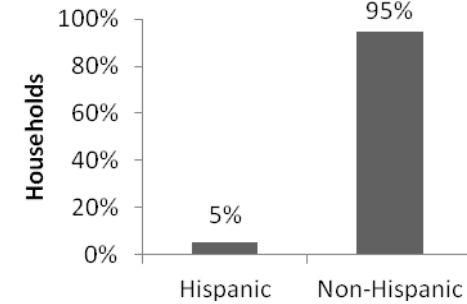
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	9,886	69%
White	3,727	26%
Other	665	5%

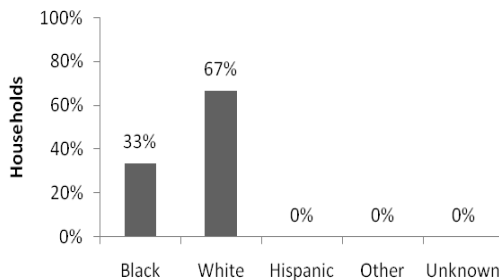
RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	774	5%
Non-Hispanic	13,661	95%

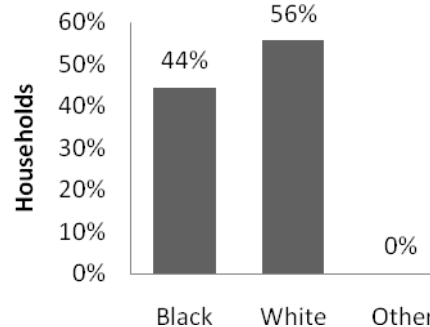
SINGLE FAMILY HOMEOWNERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE



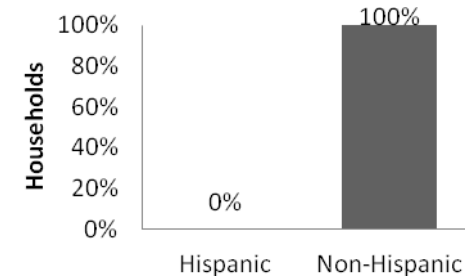
Race	Ethnicity	Households	Percent
Black		3	33%
White		6	67%
	Hispanic	0	0%
Other		0	0%
Unknown		0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	4	44%
White	5	56%
Other	0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	0	0%
Non-Hispanic	9	100%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 5

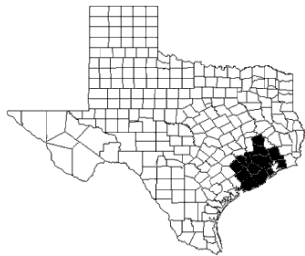
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOM E HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	\$848,781.84	9	\$539,738.80	6	\$107,750.29	3.00	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$388,721.44	65	\$0	0.00	\$3,625,532	321	\$297,384	105	\$0	0	\$0	0
Total	\$848,782	9	\$928,460	71	\$107,750	3	\$3,625,532	321	\$297,384	105	\$0	0	\$0	0

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 5

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$554,579.44	62	\$0	0	\$647,861.61	72	\$31,154.51	11	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$192,757.20	3	\$373,880.80	9	\$62,750.29	2	\$2,977,670.39	249	\$266,229.49	94	\$0	0	\$0	0
Low Income (61-80 AMFI)	\$93,946.32	1	\$0	0	\$45,000.00	1	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$562,078.32	5	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$848,782	9	\$928,460	71	\$107,750	3	\$3,625,532	321	\$297,384	105	\$0	0	\$0	0

TDHCA allocated \$5,807,908 in Region 5 during FY 2016. Renter programs accounted for the largest segment of this total and the extremely low-income households group (0-30% AMFI) was the most served income group.

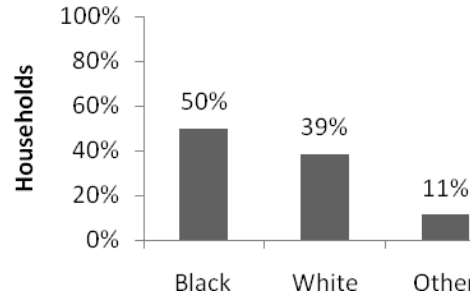
REGION 6



These charts represent the racial and ethnic composition of households served in FY 2016.

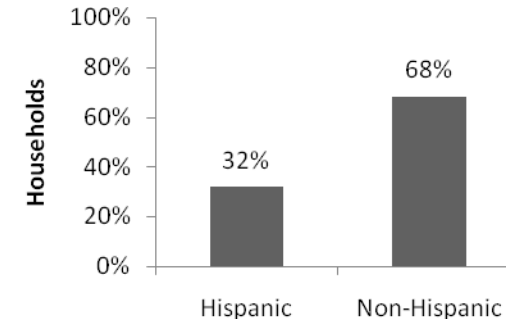
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	60,262	50%
White	46,354	39%
Other	13,668	11%

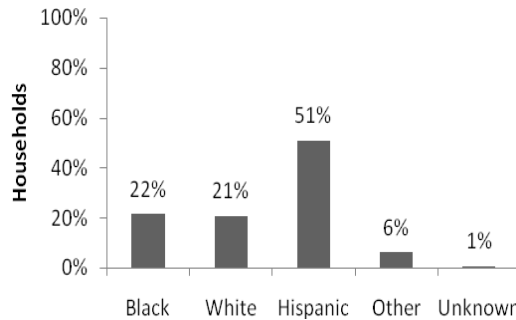
RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	38,402	32%
Non-Hispanic	82,256	68%

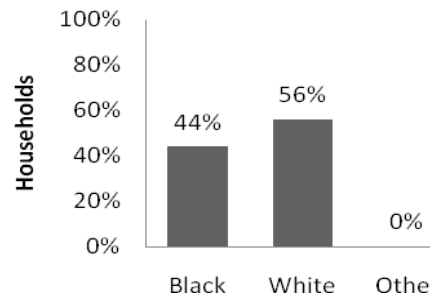
SINGLE FAMILY HOMEOWNERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE



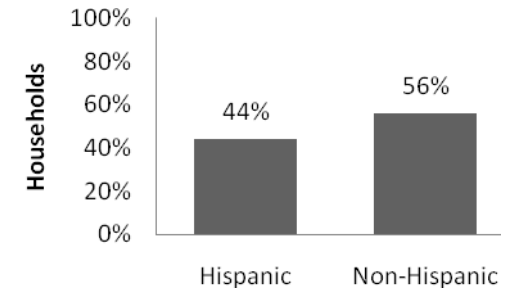
Race	Ethnicity	Households	Percent
Black		192	22%
White		184	21%
	Hispanic	454	51%
Other		55	6%
Unknown		6	1%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	11	44%
White	14	56%
Other	0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	11	44%
Non-Hispanic	14	56%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 6

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	\$110,394,444.23	891	\$759,019.36	8	\$303,942.98	17	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$87,938.98	13	\$0	0	\$7,470,238	652	\$711,990	100	\$0	0	\$7,098,772	492
Total	\$110,394,444	891	\$846,958	21	\$303,943	17	\$7,470,238	652	\$711,990	100	\$0	0	\$7,098,772	492

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 6

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$1,948,647.05	22	\$340,503.23	9	\$103,993.51	6	\$583,831.29	50	\$71,199	10	\$0	0	\$2,974,347	177
Very Low Income (31-60 AMFI)	\$28,972,276.23	284	\$398,892.98	11	\$189,017.10	10	\$6,886,406.71	602	\$640,791	90	\$0	0	\$3,864,948	288
Low Income (61-80 AMFI)	\$43,907,661.31	328	\$107,562.13	1	\$10,932.37	1	\$0	0	\$0	0	\$0	0	\$259,477	27
Moderate Income (>80 AMFI)	\$35,565,859.64	257	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$110,394,444	891	\$846,958	21	\$303,943	17	\$7,470,238	652	\$711,990	100	0	0	\$7,098,772	492

TDHCA allocated \$126,826,346 in Region 6 during FY 2016. Homeowner programs accounted for the largest segment of this total and the low income households group (61-80% AMFI) was the most served income group.

REGION 7

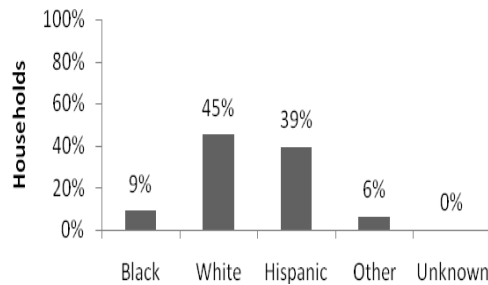


These charts represent the racial and ethnic composition of households served in FY 2016.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

SINGLE FAMILY HOMEOWNERSHIP PROGRAM

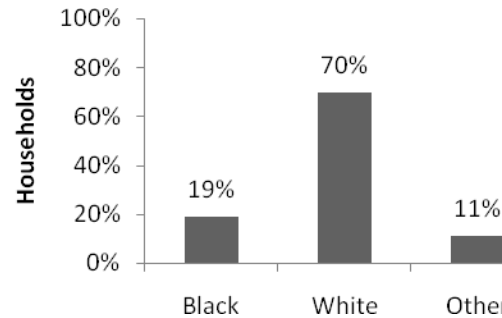
PERCENT OF EXPENDED FUNDS BY RACE



Race	Ethnicity	Households	Percent
Black		59	9%
White		296	45%
	Hispanic	257	39%
Other		40	6%
Unknown		2	0%

RENTER PROGRAMS

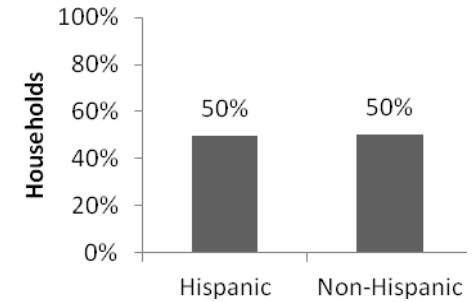
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	6,635	19%
White	24,134	70%
Other	3,851	11%

RENTER PROGRAMS

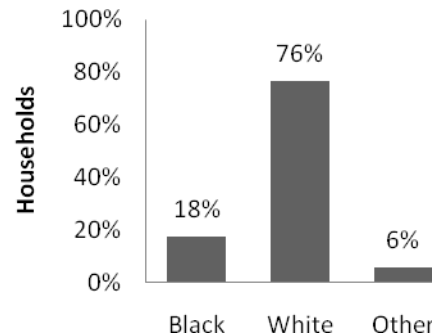
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	17,590	50%
Non-Hispanic	17,834	50%

HOME PROGRAM OWNER PROGRAMS

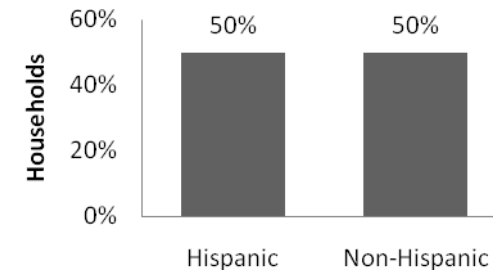
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	6	18%
White	26	76%
Other	2	6%

HOME PROGRAM OWNER PROGRAMS

PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	17	50%
Non-Hispanic	17	50%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 7

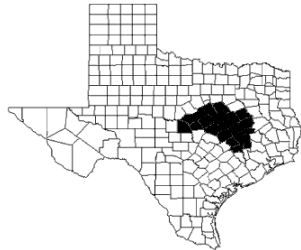
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Homeowner Programs	\$66,942,067.12	654	\$281,951.50	3	\$632,637.65	31	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$4,472,090	64	\$0	0	\$4,842,000	424	\$3,041,538	657	\$0	0	\$764,101	62
Total	\$66,942,067	654	\$4,754,042	67	\$632,638	31	\$4,842,000	424	\$3,041,538	657	\$0	0	\$764,101	62

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 7

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$1,084,579.48	10	\$1,152,556.15	35	\$292,567.14	15	\$513,470.26	45	\$30,805.78	9	\$0	0	\$197,098	21
Very Low Income (31-60 AMFI)	\$15,377,905.89	185	\$3,601,485.35	32	\$300,461.83	14	\$4,328,529.74	379	\$3,010,732.22	648	\$0	0	\$565,339	40
Low Income (61-80 AMFI)	\$28,098,046.72	258	\$0	0	\$39,608.68	2	\$0	0	\$0	0	\$0	0	\$1,664	1
Moderate Income (>80 AMFI)	\$22,381,535.03	201	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$66,942,067	654	\$4,754,042	67	\$632,638	31	\$4,842,000	424	\$3,041,538	657	\$0	0	\$764,101	62

TDHCA allocated \$80,976,385 in Region 7 during FY 2016. Homeowner programs accounted for the largest segment of this total and the low income households group (61-80% AMFI) was the most served income group.

REGION 8



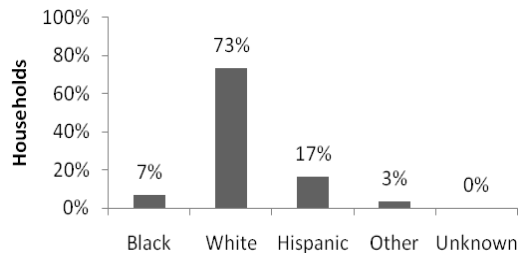
These charts represent the racial and ethnic composition of households served in FY

2016.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

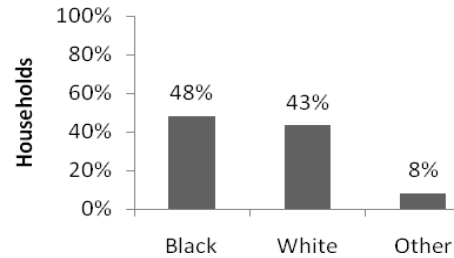
SINGLE FAMILY HOMEOWNERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE



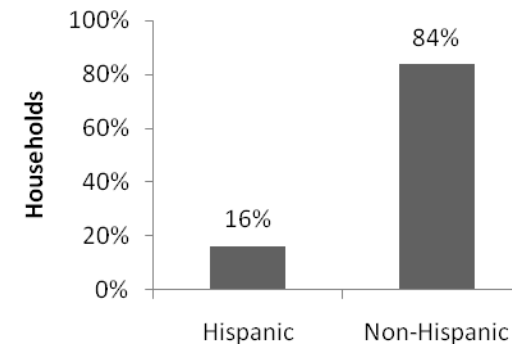
Race	Ethnicity	Households	Percent
Black		2	7%
White		22	73%
	Hispanic	5	17%
Other		1	3%
Unknown		0	0%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



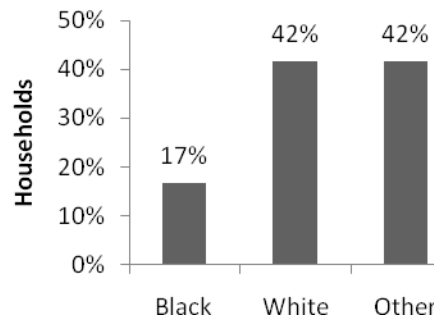
Race	Households	Percent
Black	5,461	48%
White	4,885	43%
Other	934	8%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



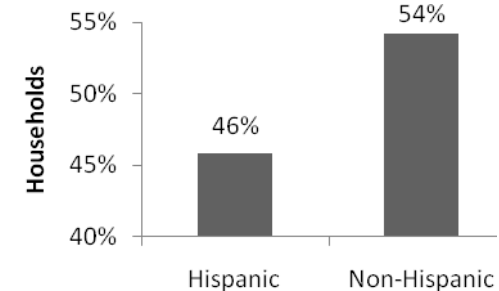
Ethnicity	Households	Percent
Hispanic	1,848	16%
Non-Hispanic	9,438	84%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	4	17%
White	10	42%
Other	10	42%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	11	46%
Non-Hispanic	13	54%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 8

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Homeowner Programs	\$3,001,443.41	30	\$753,078.30	10	\$555,435	14	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$1,084,665.98	18	\$0	0	\$2,291,123	257	\$0	0	\$0	0	\$284,259	27
Total	3,001,443	30	\$1,837,744	28	\$555,435	14	\$2,291,123	257	\$0	0	\$0	0	\$284,259	27

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 8

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$595,861.57	16	\$19,992.50	1	\$243,131.66	27	\$0	0	\$0	0	\$59,877	4
Very Low Income (31-60 AMFI)	\$998,297.37	8	\$1,219,575.73	9	\$490,442.50	12	\$2,047,991.34	230	\$0	0	\$0	0	\$205,818	22
Low Income (61-80 AMFI)	\$1,050,403.41	13	\$22,306.98	3	45,000	1	\$0	0	\$0	0	\$0	0	\$18,564	1
Moderate Income (>80 AMFI)	\$952,742.63	9	\$0	0	0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$3,001,443	30	\$1,837,744	28	\$555,435	14	\$2,291,123	257	\$0	0	0	0	\$284,259	27

TDHCA allocated \$7,970,005 in Region 8 during FY 2016. Homeowner programs accounted for the largest segment of this total and the extremely low income households group (0-30% AMFI) was the most served income group.

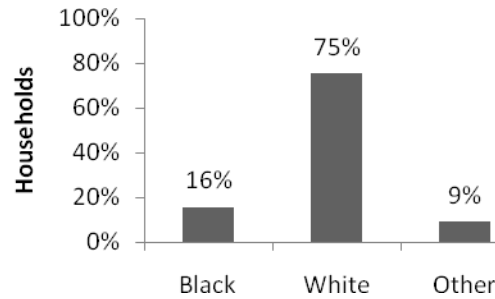
REGION 9



These charts represent the racial and ethnic composition of households served in FY 2016.

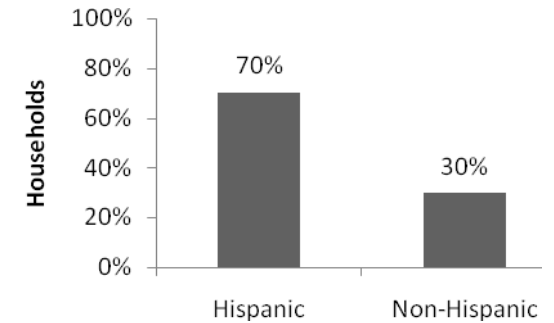
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



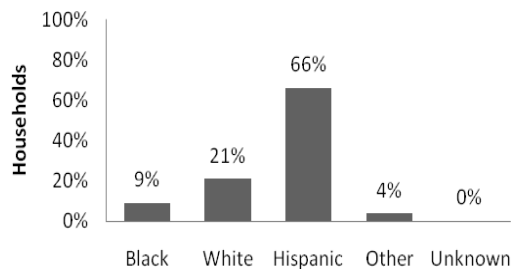
Race	Households	Percent
Black	6,761	16%
White	32,637	75%
Other	3,958	9%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



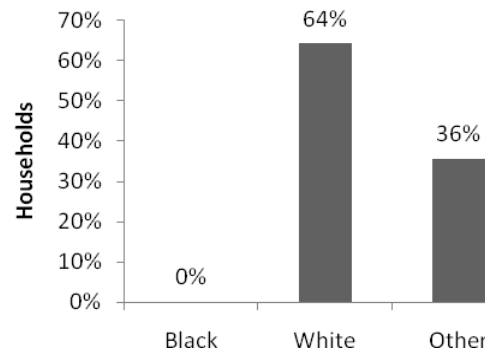
Ethnicity	Households	Percent
Hispanic	30,429	70%
Non-Hispanic	12,886	30%

SINGLE FAMILY HOMEOWNERSHIP PROGRAM
PERCENT OF EXPENDED FUNDS BY RACE



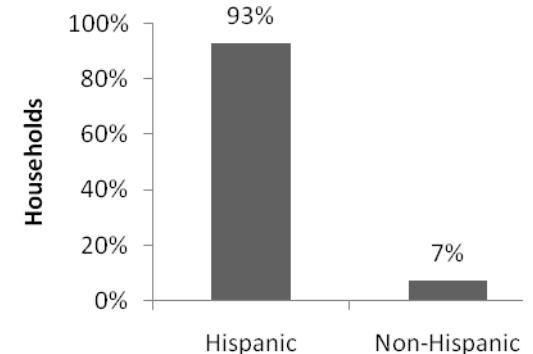
Race	Ethnicity	Households	Percent
Black		24	9%
White		55	21%
	Hispanic	174	66%
Other		10	4%
Unknown		0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	0	0%
White	9	64%
Other	5	36%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	13	93%
Non-Hispanic	1	7%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 9

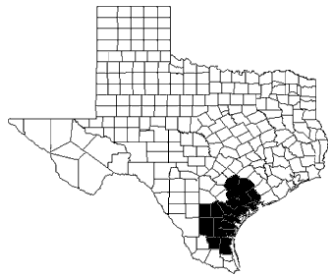
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	\$33,982,910.21	263	\$664,211	7	\$161,115.95	7	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$3,163,440.57	187	\$0	0	\$3,711,849	313	\$1,028,298	252	\$0	0	\$1,131,893	135
Total	33,982,910	263	\$3,827,652	194	\$161,116	7	\$3,711,849	313	\$1,028,298	252	\$0	0	\$1,131,893	135

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 9

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$242,944.40	3	\$1,453,354.35	126	\$45,000	1	\$380,086.35	32	\$257,074.50	63	\$0	0	\$92,872	4
Very Low Income (31-60 AMFI)	\$5,829,553.07	55	\$980,749.22	55	\$76,531.95	4	\$3,331,762.65	281	\$771,223.50	189	\$0	0	\$1,026,833	129
Low Income (61-80 AMFI)	\$13,088,846.27	99	\$1,393,548	13	\$39,584	2	\$0	0	\$0	0	\$0	0	\$12,188	2
Moderate Income (>80 AMFI)	\$14,821,566.47	106	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$33,982,910	263	\$3,827,652	194	\$161,116	7	\$3,711,849	313	\$1,028,298	252	0	0	\$1,131,893	135

TDHCA allocated \$43,843,718 in Region 9 during FY 2016. Homeowner programs accounted for the largest segment of this total and the moderate income households group (>80% AMFI) was the most served income group.

REGION 10

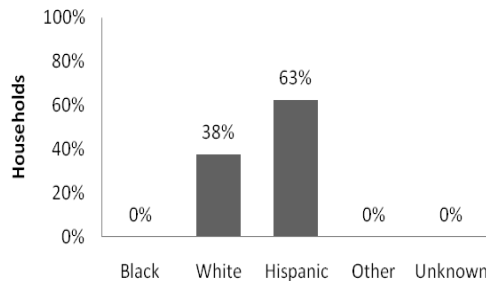


These charts represent the racial and ethnic composition of households served in FY 2016.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

SINGLE FAMILY HOMEOWNERSHIP PROGRAM

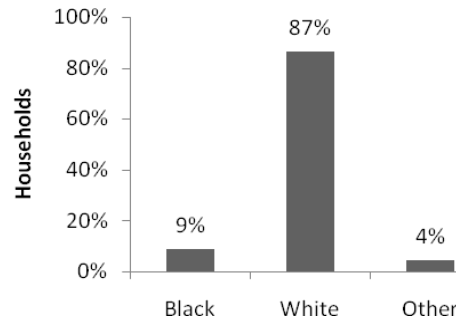
PERCENT OF EXPENDED FUNDS BY RACE



Race	Ethnicity	Households	Percent
Black		0	0%
White		9	38%
	Hispanic	15	63%
Other		0	0%
Unknown		0	0%

RENTER PROGRAMS

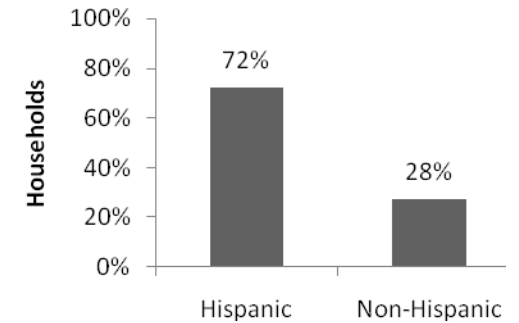
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	1,223	9%
White	11,847	87%
Other	613	4%

RENTER PROGRAMS

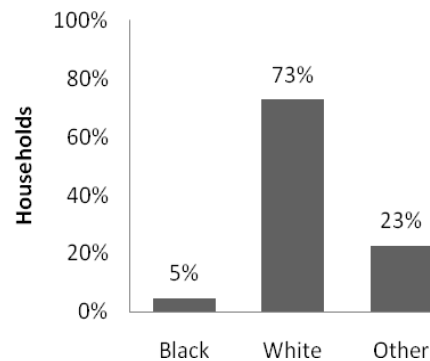
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	9,934	72%
Non-Hispanic	3,778	28%

HOME PROGRAM OWNER PROGRAMS

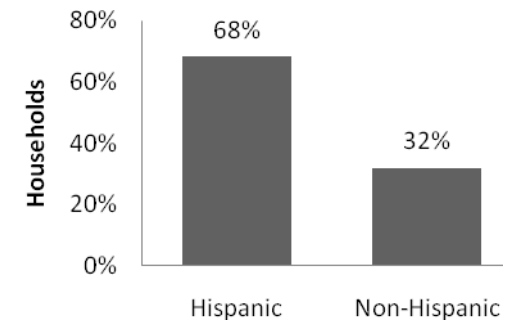
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	1	5%
White	16	73%
Other	5	23%

HOME PROGRAM OWNER PROGRAMS

PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	15	68%
Non-Hispanic	7	32%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 10

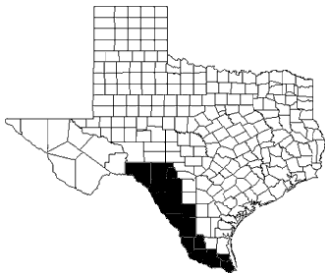
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	\$1,807,643.02	24	\$1,516,262.60	16	\$217,246.24	6	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$1,081,053	36	\$0	0	\$2,248,707	270	\$0	0	\$0	0	\$12,342	2
Total	1,807,643	24	\$2,597,316	52	\$217,246	6	\$2,248,707	270	\$0	0	\$0	0	\$12,342	2

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 10

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$63,481.60	2	\$635,277	32	\$0	0	\$239,722.03	27	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$387,962.15	6	\$1,865,969.60	19	\$217,246.24	6	\$2,008,984.97	243	\$0	0	\$0	0	\$12,342	2
Low Income (61-80 AMFI)	\$550,328	8	\$96,069	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$805,871.27	8	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$1,807,643	24	\$2,597,316	52	\$217,246	6	\$2,248,707	270	\$0	0	0	0	\$12,342	2

TDHCA allocated \$6,883,254 in Region 10 during FY 2016. Homeowner programs accounted for the largest segment of this total and the extremely low-income households group (0-30% AMFI) was the most served income group.

REGION 11

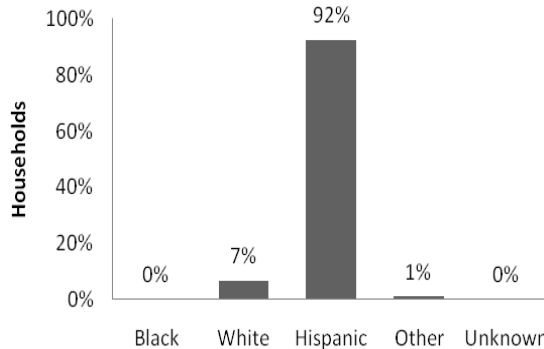


These charts represent the racial and ethnic composition of households served in FY 2016.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

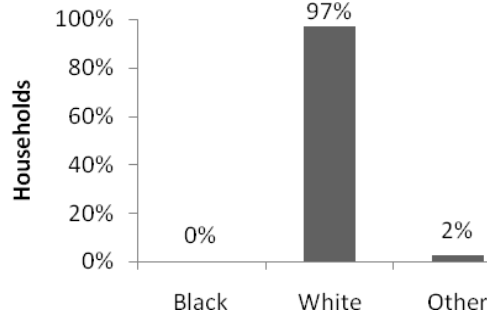
SINGLE FAMILY HOMEOWNERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE



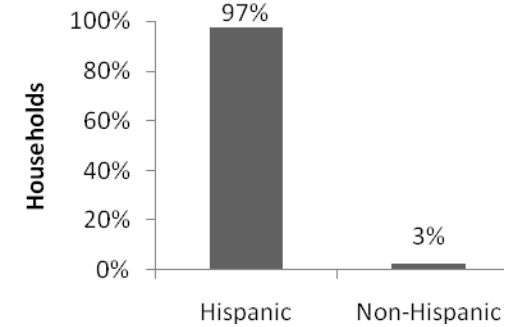
Race	Ethnicity	Households	Percent
Black		0	0%
White		6	7%
	Hispanic	84	92%
Other		1	1%
Unknown		0	0%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



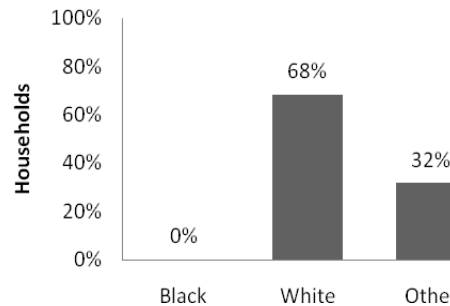
Race	Households	Percent
Black	116	0%
White	28,516	97%
Other	717	2%

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



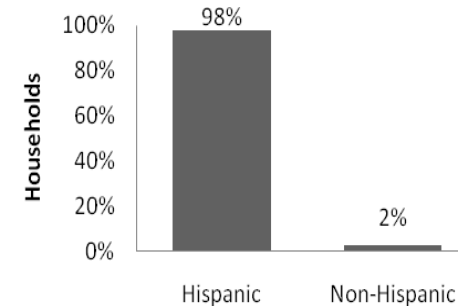
Ethnicity	Households	Percent
Hispanic	28,879	97%
Non-Hispanic	769	3%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	0	0%
White	28	68%
Other	13	32%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	40	98%
Non-Hispanic	1	2%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 11

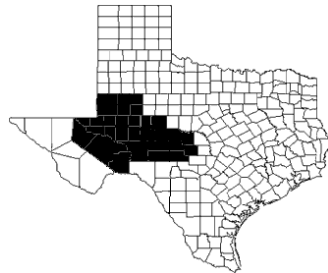
Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
CHDO	\$0	0	\$85,050.84	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Homeowner Programs	\$11,610,889.77	91	\$1,326,000.71	18	\$503,012.64	22	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$26,115	7	\$0	0	\$4,508,000	210	\$0	0	\$0	0	\$0	0
Total	\$11,610,890	91	\$1,437,167	26	\$503,013	22	\$4,508,000	210	\$0	0	\$0	0	\$0	0

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 11

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$219,800.42	3	\$457,221.37	11	\$71,903.60	5	\$423,900.23	20	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$2,689,680.24	26	\$883,237.08	14	\$400,029.37	15	\$4,084,099.77	190	\$0	0	\$0	0	\$0	0
Low Income (61-80 AMFI)	\$4,950,774.64	36	\$96,708.10	1	\$31,079.67	2	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$3,750,634.47	26	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$11,610,890	91	\$1,437,167	26	\$503,013	22	\$4,508,000	210	\$0	0	0	0	\$0	0

TDHCA allocated \$18,059,069 in Region 11 during FY 2016. Homeowner programs accounted for the largest segment of this total and the Low income households group (61-80% AMFI) was the most served income group.

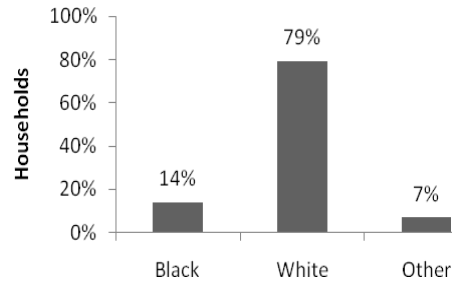
REGION 12



These charts represent the racial and ethnic composition of households served in FY 2016.

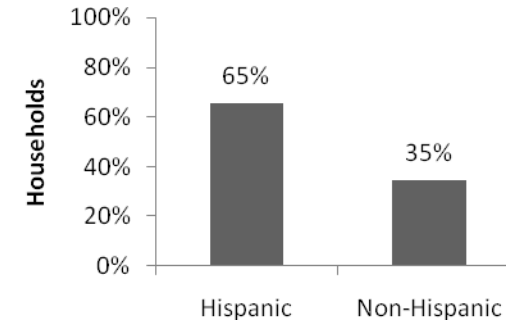
Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	1,067	14%
White	6,124	79%
Other	525	7%

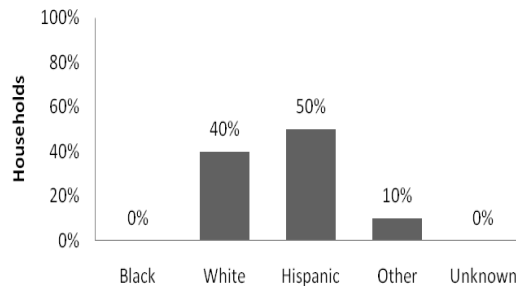
RENTER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	4,957	65%
Non-Hispanic	2,617	35%

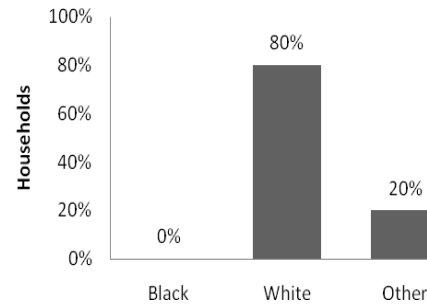
SINGLE FAMILY HOMEOWNERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE



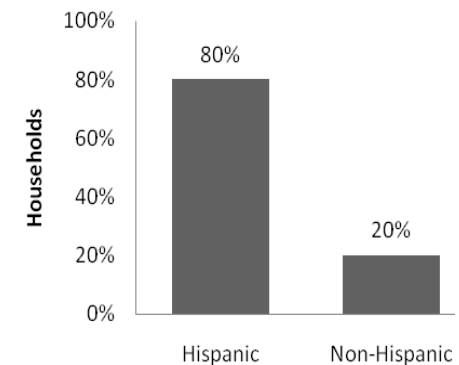
Race	Ethnicity	Households	Percent
Black		0	0%
White		4	40%
	Hispanic	5	50%
Other		1	10%
Unknown		0	0%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	0	0%
White	4	80%
Other	1	20%

HOME PROGRAM OWNER PROGRAMS
PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	4	80%
Non-Hispanic	1	20%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 12

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	\$1,272,026.12	10	\$190,575	2	\$82,937.50	3	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$4,109,331.33	84	\$0	0	\$1,239,061	114	\$174,613	68	\$4,300,000	0	\$0	0
Total	\$1,272,026	10	\$4,299,906	86	\$82,938	3	\$1,239,061	114	\$174,613	68	\$4,300,000	0	\$0	0

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 12

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$1,323,510.15	45	\$0	0	\$97,667.17	9	0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$156,017.84	2	\$2,973,609.78	40	\$82,937.50	3	\$1,141,393.83	105	\$174,613	68	\$4,300,000	0	\$0	0
Low Income (61-80 AMFI)	\$667,099.80	5	\$2,786.40	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$448,908.48	3	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$1,272,026	10	\$4,299,906	86	\$82,938	3	\$1,239,061	114	\$174,613	68	\$4,300,000	0	\$0	0

TDHCA allocated \$11,368,544 in Region 12 during FY 2016. Renter programs accounted for the largest segment of this total and the very low-income households group (31-60% AMFI) was the most served income group.

REGION 13

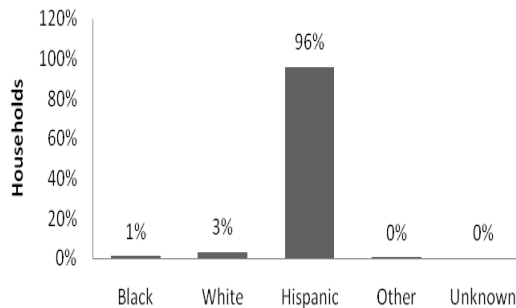


These charts represent the racial and ethnic composition of households served in FY 2016.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Homeownership program is presented in one combined chart.

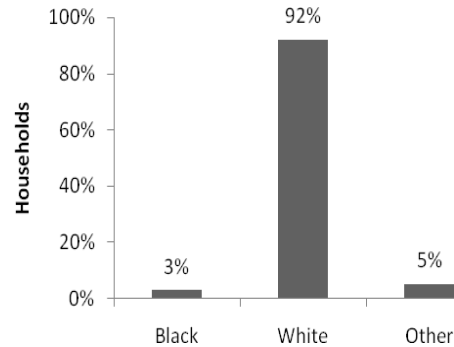
SINGLE FAMILY HOMEOWNERSHIP PROGRAM

PERCENT OF EXPENDED FUNDS BY RACE



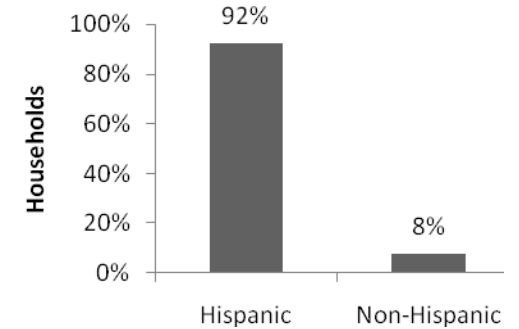
Race	Ethnicity	Households	Percent
Black		3	1%
White		9	3%
	Hispanic	288	96%
Other		1	0%
Unknown		0	0%

RENTER PROGRAMS PERCENT OF EXPENDED FUNDS BY RACE



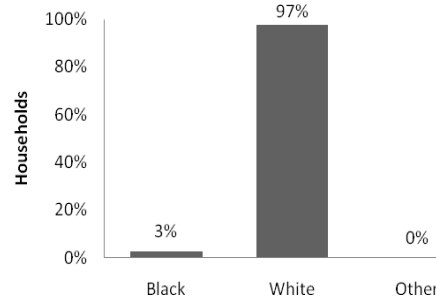
Race	Households	Percent
Black	443	3%
White	14,667	92%
Other	807	5%

RENTER PROGRAMS PERCENT OF EXPENDED FUNDS BY ETHNICITY



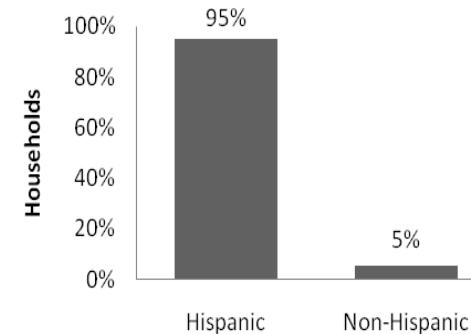
Ethnicity	Households	Percent
Hispanic	14,697	92%
Non-Hispanic	1,225	8%

HOME PROGRAM OWNER PROGRAMS PERCENT OF EXPENDED FUNDS BY RACE



Race	Households	Percent
Black	1	3%
White	38	97%
Other	0	0%

HOME PROGRAM OWNER PROGRAMS PERCENT OF EXPENDED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	37	95%
Non-Hispanic	2	5%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 13

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	\$34,176,787.18	301	\$1,647,671.68	17	\$314,378.14	22	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$96,419	11	\$0	0	\$3,727,065	260	\$0	0	\$0	0	\$0	0
Total	\$34,176,787	301	\$1,744,091	28	\$314,378	22	\$3,727,065	260	\$0	0	\$0	0	\$0	0

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 13

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$1,340,653.67	15	\$401,629.39	11	\$127,152.97	8	\$378,244.27	26	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$14,952,825.53	147	\$1,163,059.42	15	\$170,367.67	13	\$3,348,820.73	234	\$0	0	\$0	0	\$0	0
Low Income (61-80 AMFI)	\$10,226,581.64	85	\$179,401.87	2	\$16,857.50	1	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$7,656,726.34	54	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$34,176,787	301	\$1,744,091	28	\$314,378	22	\$3,727,065	260	\$0	0	\$0	\$0	\$0	0

TDHCA allocated \$39,962,321 in Region 13 during FY 2016. Homeowner programs accounted for the largest segment of this total and the very low income households group (31-60% AMFI) was the most served income group.

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, MULTIPLE REGIONS

Activity	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Home-owner Programs	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Renter Programs	\$0	0	\$0	0	\$0	0	\$297,029	40	\$0	0	\$0	0	\$0	0
Total	\$0	0	\$0	0	\$0	0	\$297,029	40	\$0	0	\$0	0	\$0	0

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, MULTIPLE REGIONS

Income Level	SF Home-ownership Funds	SF Home-ownership HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds 9%	HTC HH 9%	HTC Funds 4%	HTC HH 4%	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$0	0	\$0	0	\$22,277.18	3	\$0	0	\$0	0	\$0	0
Very Low Income (31-60 AMFI)	\$0	0	\$0	0	\$0	0	\$274,751.83	37	\$0	0	\$0	0	\$0	0
Low Income (61-80 AMFI)	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Moderate Income (>80 AMFI)	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$0	0	\$0	0	\$0	0	\$297,029	40	\$0	0	\$0	\$0	\$0	0

TDHCA allocated \$297,029 in Multiple Regions during FY 2016. Rental programs accounted for the largest segment of this total and the extremely low income households group (0-30% AMFI) was the most served income group.

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 §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.htm>.

GEOGRAPHIC DISTRIBUTION OF HOUSING TAX CREDITS

Texas Government Code §2306.111(d) requires that TDHCA use a Regional Allocation Formula (“RAF”) to allocate its 9% HTC to the Uniform State Service Regions it uses for planning purposes. Because of the level of funding and the impact of this program in financing the multifamily development of affordable housing across the state, this section of the Plan discusses the geographical distribution of HTCs.

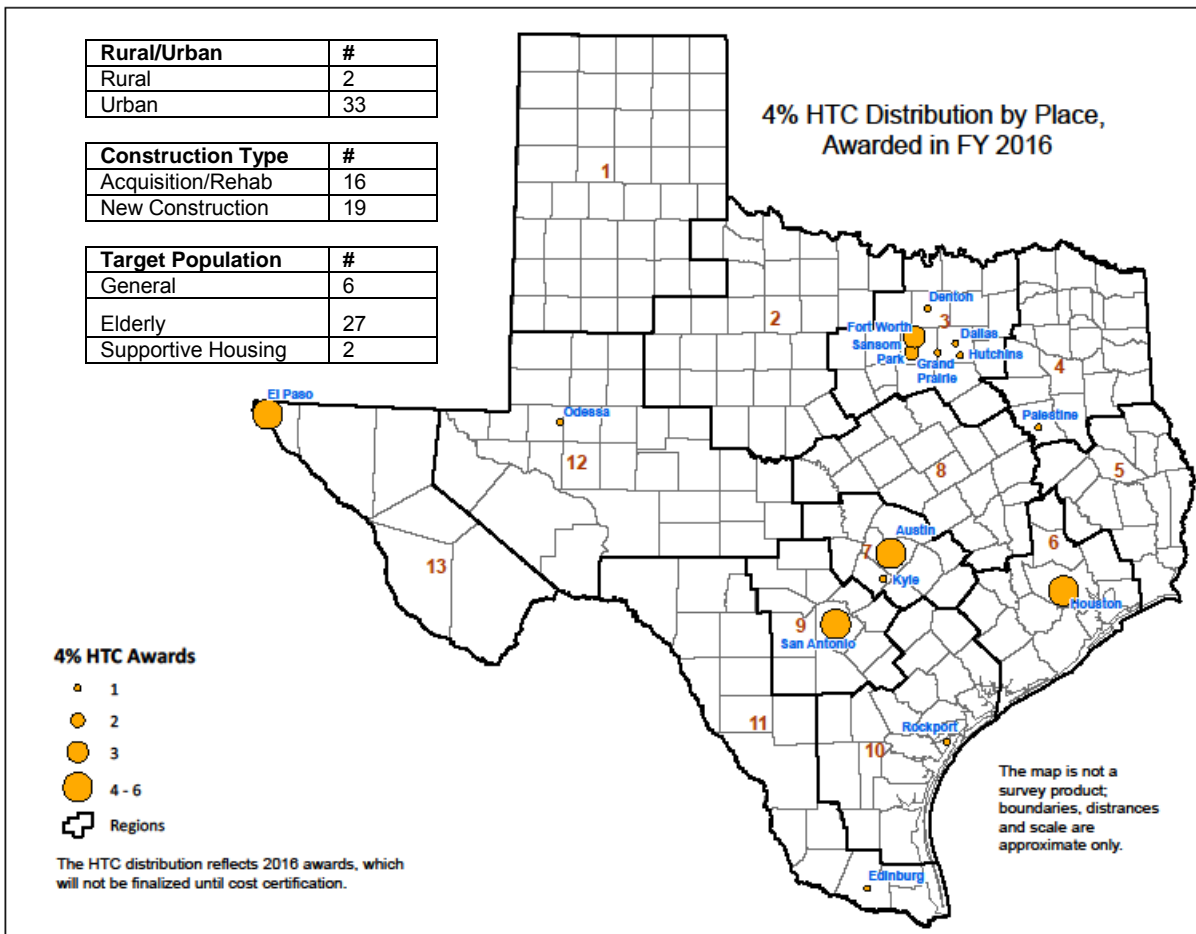
The Department allocated \$65,345,233 in HTCs through the Competitive HTC application process and 5,476, 220 and 12,399,851 in 4% during the 2016 FY. Information on these awards, as well as the entire HTC inventory, can be found on the HTC Program’s webpage at <http://www.tdhca.state.tx.us/multifamily/>. The map on the following page displays the geographic distribution of the FY 2016 9% and 4% awards. TDHCA did not receive tax credits from the federal pool of unused funds. There were no remaining credits for the 2015 HTC cycle year at the end of the calendar year. As of August 31, 2016, there was \$711,494 unused credits remaining for the 2016 HTC cycle; these funds will continue to be allocated through the end of the calendar year.

REGIONAL ALLOCATION FORMULA

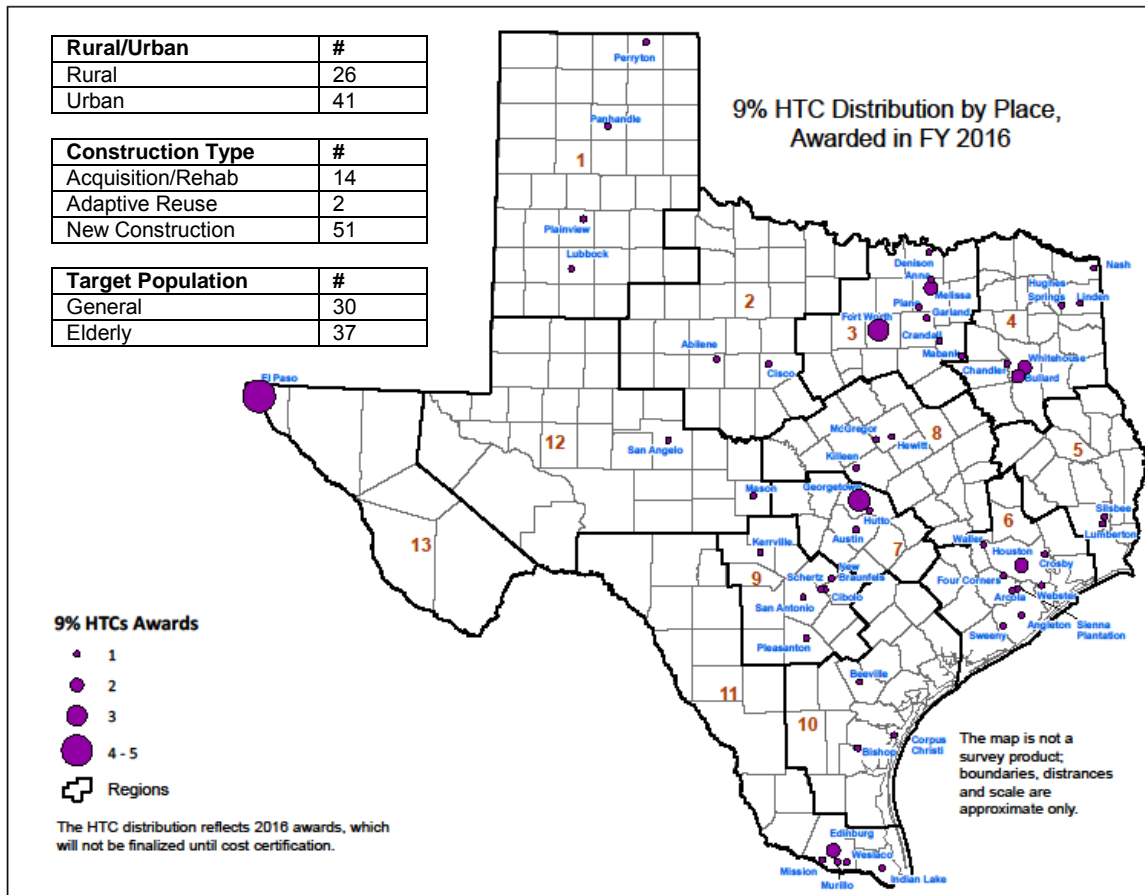
The table below shows the funding distribution of 2016 awards by region and includes the variations between the actual distribution and the 9% HTC RAF targets. The Department plans the credit distributions to match the HTC RAF targets as closely as possible; the RAF targets apply to the 9% HTC program. To that end, as many whole awards as possible are made in each Uniform State Service Region’s urban and rural sub-regions based on the RAF target for each. The total remainder in each region is then collapsed into a statewide pool. The most under-served sub-regions are ranked and, if possible, additional awards are made in out of the statewide pool. If a region does not have enough qualified applications to meet its regional credit distribution target, then those credits will collapse to the statewide pool of remaining credits.

Region	All HTCs	% of all HTCs	4% HTCs	% of all 4% HTCs	9% HTCs	% of all 9% HTCs	Targeted 9% dist. under RAF	Diff. between actual & targeted
1	\$2,971,612.00	3.2%	\$0.00	0.0%	\$2,971,612.00	4.6%	3.55%	1.03%
2	\$1,045,000.00	1.1%	\$0.00	0.0%	\$1,045,000.00	1.6%	2.00%	-0.39%
3	\$24,215,065.00	25.7%	\$11,054,221.00	37.9%	\$13,160,844.00	20.3%	22.89%	-2.62%
4	\$4,050,293.00	4.3%	\$292,329.00	1.0%	\$3,757,964.00	5.8%	4.67%	1.12%
5	\$1,622,000.00	1.7%	\$0.00	0.0%	\$1,622,000.00	2.5%	3.01%	-0.51%
6	\$15,167,302.00	16.1%	\$4,146,335.00	14.2%	\$11,020,967.00	17.0%	20.10%	-3.13%
7	\$11,878,594.23	12.6%	\$6,408,587.00	22.0%	\$5,470,007.23	8.4%	8.39%	0.03%
8	\$3,092,656.00	3.3%	\$0.00	0.0%	\$3,092,656.00	4.8%	3.42%	1.34%
9	\$9,096,754.00	9.7%	\$3,717,073.00	12.8%	\$5,379,681.00	8.3%	9.00%	-0.72%
10	\$2,592,955.00	2.8%	\$157,918.00	0.5%	\$2,435,037.00	3.7%	3.28%	0.47%
11	\$8,316,858.00	8.8%	\$263,065.00	0.9%	\$8,053,793.00	12.4%	11.44%	0.96%
12	\$2,590,676.00	2.8%	\$1,302,376.00	4.5%	\$1,288,300.00	2.0%	2.58%	-0.60%
13	\$7,424,157.00	7.9%	\$1,786,757.00	6.1%	\$5,637,400.00	8.7%	5.66%	3.02%
Total	\$94,063,922	100.0%	\$29,128,661	100.0%	\$64,935,261	100.0%	100%	

4% HTC Distribution by Place, Awarded in FY 2016



9% HTC Distribution by Place, Awarded in FY 2016



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 discusses the following:

- **TDHCA Programs**
 - Description of TDHCA's programs, including funding source, administrator, purpose, targeted population, allocation, budget and contact information
- **Housing Support Continuum**
 - Activities undertaken by each TDHCA program that address the varying needs of a low-income household
- **Goals and Objectives**
 - Program performance targets based upon measures developed with the State's Legislative Budget Board and the Office of the Governor
- **Regional Allocation Plans**
 - Distribution of TDHCA's resources across the 13 State Service Regions
- **Policy Initiatives**
 - Community Involvement: Interagency collaboration and engagement of stakeholders on specific issues
 - Fair Housing: Provide assistance without regard to race, color, religion, sex, disability, familial status, or national origin and affirmatively further housing opportunities
- **Special Needs Populations**
 - Populations that have unique needs related to housing

2017 TDHCA PROGRAMS

TDHCA's programs govern the use of available resources in meeting the housing needs of low-income Texans. Program descriptions include information on the funding source, recipients, targeted beneficiaries, set-asides and special initiatives. Details of each program's activities are located in the Housing Support Continuum in the following segment.

The Housing and Economic Recovery Act of 2008 ("HERA") created certain programs intended to help stimulate the economy. While no new funding is being provided to Texas, the Neighborhood Stabilization Program ("NSP"), is still actively managing ongoing activities under the Single Family Operations and Services Division. The Department also continues to manage program income as loans initially made under NSP are repaid.

A list of TDHCA programs and activities available for administrators in State Fiscal Year (“SFY”) 2017, organized by their Division, follows:

Community Affairs Division

- Community Services Block Grant (“CSBG”) Program
- Comprehensive Energy Assistance Program (“CEAP”)
- Section 8 Housing Choice Voucher Program (“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”)

The HOME and Homeless Programs Division also administers the following two programs:

- Emergency Solutions Grants Program (“ESG”)
- Homeless Housing and Services Program (“HHSP”)

Single Family Operations and Services Division (includes the Housing Trust Fund (“HTF”) and the Office of Colonia Initiatives (“OCI”))

- Amy Young Barrier Removal Program
- Colonia Self-Help Center (“SHC”) Program
- Contract for Deed Assistance 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

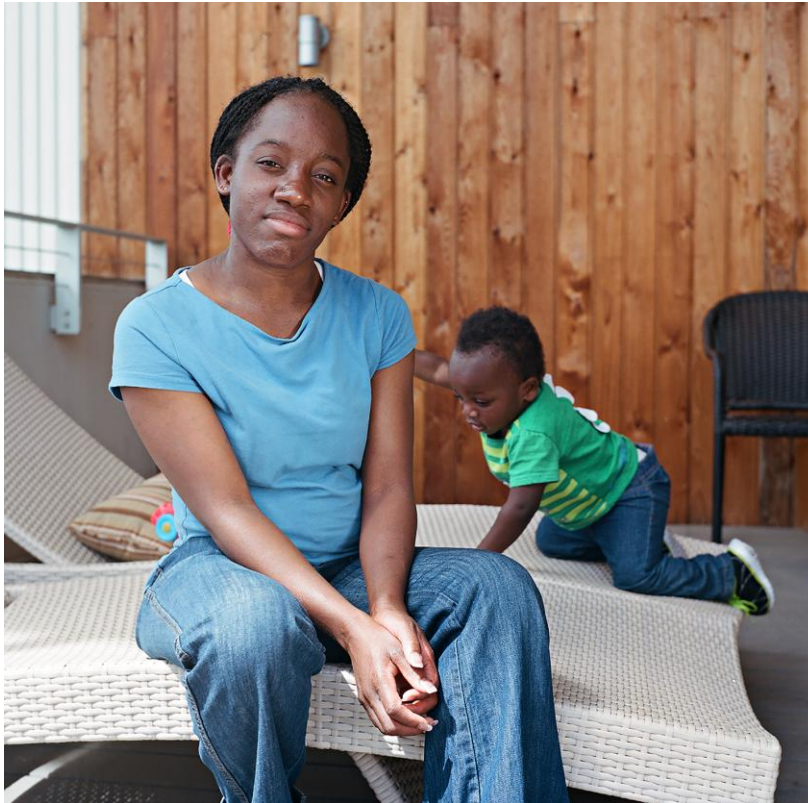
Section 811 Project Rental Assistance

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”), Section 8 Housing Choice Voucher Program (“Section 8”), and Weatherization Assistance Program (“WAP”).



Through the Homeless Housing and Services Program (“HHSP”), the state provides funding to the eight largest cities in support of services to homeless individuals and families. Cities currently served through HHSP include Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston and San Antonio.

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 to fund activities that support the intent of the CSBG Act. CSBG provides program and administrative support funds to Community Action Agencies (“CAAs”) and other human service delivery organizations that offer emergency and poverty-related programs to income-eligible persons.

Ninety-percent of the funds must be provided to eligible entities as defined under Section 673 of the CSBG Act to provide services to low-income individuals. These agencies must be private nonprofit entities or units of local government and are each designated by the Governor as an eligible entity. Persons with incomes at or below 125% of the current federal income poverty guidelines issued annually by USHHS are eligible for the program.

Through CSBG, Texas provides program and administrative support to 41 CSBG-eligible entities and other human services delivery organizations. Allocations to the CSBG-eligible entities are based on

two factors: (1) the number of persons living in poverty within the designated service delivery area for each organization and (2) a calculation of population density. Poverty population is given 98% weight, and the ratio of inverse population density is given 2% weight.

Up to 5% of the State's CSBG allocation may be used for discretionary activities. Current activities include (1) providing assistance to CSBG eligible entities to provide direct services to clients; (2) supporting assessment, training and technical assistance needs of the CSBG-eligible entities; and (3) supporting technical assistance among agencies administering the CSBG funds. The Department also uses CSBG State discretionary funds to support organizations administering projects that address the causes of poverty and promote client self-sufficiency in Native American and migrant or seasonal farmworker communities, and to other eligible discretionary activities as authorized by the Department's Board. No more than 5% of the CSBG allocation may be used for administrative purposes by the state.

CSBG funding for FY 2017 is estimated at \$32,240,036. The exact 2017 allocation is not known at this time; however, it is possible that CSBG funding will be reduced.

CONTACT: For assistance, individuals should contact the local CSBG eligible entity, which can be found online at <http://www.tdhca.state.tx.us/texans.htm> by selecting "Emergency and Homeless Services" or by calling the Housing Resource Center at 800-525-0657. Program administrators who need more information may call Rita Gonzales-Garza, Community Affairs Division, at (512) 475-3905.

ONLINE DOCUMENTS: The CSBG State Plan and other documents may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/community-affairs/csbg/index.htm>.

FUNDING SOURCE: USHHS

TYPE OF ASSISTANCE: Grants

RECIPIENTS: CAAs and other human service delivery organizations

TARGETED BENEFICIARIES: Persons at or below 125% 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 39 CEAP subrecipients. The subrecipients consist of CAAs, nonprofit entities, and units of local government. Through December 31, 2015, the targeted beneficiaries of CEAP in Texas are households with an income at or below 125% 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. Effective January 1, 2016, the income threshold changed to at or below 150% of federal poverty guidelines.

The allocation formula for CEAP uses the following five factors and corresponding weights to distribute its funds by county; non-elderly poverty household factor (40%); elderly poverty household factor (40%); inverse poverty household density factor (5%); median income variance factor (5%); and weather factor (10%).

CEAP funding for FY 2017 is unknown at this time and will depend on federal funding levels.

CONTACT: To connect to the local CEAP provider, persons needing assistance may go online at <http://www.tdhca.state.tx.us/texans.htm> or call 1-877-399-8939 from a landline phone. Program administrators can call Marco Cruz, Community Affairs Division, at 512-475-3860.

ONLINE DOCUMENTS: The Energy Assistance Plans and Rules may be accessed online at <http://www.tdhca.state.tx.us/community-affairs/ceap/>.

FUNDING SOURCE: USHHS' LIHEAP grant

TYPE OF ASSISTANCE: Grants

RECIPIENTS: CAAs, nonprofits and local governments

TARGETED BENEFICIARIES: Households with income at or below 150% of federal poverty guidelines.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

TDHCA serves as a public housing authority and receives funding for the Section 8 Program from HUD for counties included in TDHCA's PHA Plan. The Section 8 Program provides rental assistance payments on behalf of low-income individuals and families, including older Texans and persons with disabilities. The Section 8 Program administers approximately 900 housing choice vouchers. The Department administers vouchers in 34 counties.

The TDHCA Section 8 Program generally serves households in small cities and rural communities that are not served by similar local or regional housing voucher programs. Eligible households have a gross income that does not exceed 50% of HUD's median income guidelines. HUD requires 75% of all new households admitted to the program be at or below 30% of AMFI. Eligibility is based on several factors, including the household's income, size and composition, citizenship status, assets and medical and childcare expenses. Additionally, a portion of TDHCA's Section 8 vouchers are utilized anywhere in the state for the Project Access Program, which assists low-income persons with disabilities in transitioning from institutions into the community by providing access to affordable housing.

Projected Section 8 Program funding for FY 2017 is unknown at this time and will depend on federal funding levels.

CONTACT: Individuals needing assistance may find a local Section 8 provider online at <http://www.tdhca.state.tx.us/texans.htm> by selecting "Rent Help" or by calling the Housing Resource Center at 800-525-0657. The Community Affairs Division can be reached at (512) 475-3884 or 1-800-237-6500.

ONLINE DOCUMENTS: Additional documentation, including the Section 8 Plan, may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/section-8/>.

FUNDING SOURCE: HUD

TYPE OF ASSISTANCE: Rental subsidy

RECIPIENTS: Households at or below 50% AMFI

WEATHERIZATION ASSISTANCE PROGRAM

WAP is funded by the U.S. Department of Energy (“DOE”) and USHHS' LIHEAP grant. WAP allocates funding to help low-income households control energy costs through the installation of weatherization (energy-efficient) measures and energy conservation education. The Department administers WAP through a network of 22 WAP subrecipients. The subrecipients consist of CAAs, nonprofit entities and units of local government. The targeted beneficiaries of WAP in Texas are households with an income at or below 125% of federal poverty for the LIHEAP WAP (increasing to 150% effective January 1, 2016) 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 2016 is unknown at this time and will depend on federal funding levels.

CONTACT: To connect directly to a local WAP provider, call 211 or 1-888-606-8889, or go online <http://www.tdhca.state.tx.us/texans.htm>. Program administrators can call Marco Cruz, Community Affairs Division at 512-475-3860.

ONLINE DOCUMENTS: The Energy Assistance Plans and Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/community-affairs/wap/>.

FUNDING SOURCE: DOE WAP and USHHS' LIHEAP

TYPE OF ASSISTANCE: Grants

RECIPIENTS: CAAs, nonprofits and local governments

TARGETED BENEFICIARIES: Households with income at or below 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 programs share common federal oversight through HUD's Office of Community Planning and Development while all three support the Department's providing of supportive housing services. 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.



The HOME Homeowner Rehabilitation Assistance Program helps replace homes that have become uninhabitable.

HOME PROGRAM

The HOME Investment Partnerships Program ("HOME") is authorized under the Cranston-Gonzalez National Affordable Housing Act (42 USC § 12701, et. seq.) and receives funding from HUD.

The purpose of the HOME Program is to expand the supply of decent, safe and affordable housing for extremely low-, very low- and low-income households and to alleviate the problems of excessive rent burdens, homelessness and deteriorating housing stock. HOME strives to meet both the short-term goal of increasing the supply and the availability of affordable housing and the long-term goal of building partnerships between state and local governments and private and nonprofit organizations in order to strengthen their capacity to meet the diverse affordable housing needs of lower income Texans. To achieve this purpose, the HOME Program provides loans and grants through units of general local government, public housing authorities, CHDOs, nonprofit organizations and other eligible entities to provide assistance to eligible households. Annual HOME funds awarded by HUD not set aside under this plan are made available on a regional basis utilizing the Regional Allocation Formula ("RAF"). The HOME RAF can be found in the TDHCA Allocation Plan section of this Action

Plan chapter. TDHCA also periodically releases deobligated and program income funds 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 §2306.111, Tex. Gov't Code, in administering federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (Act), 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. Additionally, federal regulations require a minimum of 15% of the annual HOME allocation be reserved for CHDOs. CHDO set-aside projects are owned, developed, or sponsored by the CHDO and result in the development of multifamily rental units or single-family homeownership. In energy efficiency efforts, the HOME Program requires awardees to adhere to the Department's energy efficiency rules.

CONTRACT FOR DEED

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 awarded as specified rules and published Notices of Funding Availability ("NOFAs").

SINGLE FAMILY DEVELOPMENT

Single Family Development is a CHDO set-aside activity. CHDO activities include acquisition and new construction or 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 beyond 24 months for individuals that meet certain program requirements. A HOME assisted tenant must also participate in a self-sufficiency program. This program can also be used to address housing issues arising from disasters, whether natural or man-made, as well as for assistance provided under the Persons with Disabilities ("PWD") set-aside. These funds are made available as specified in published 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. 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. 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 2017

The HOME Program anticipates receiving an estimated \$23,000,000 in federal HOME allocated funds and \$10,000,000 in multifamily and single-family program income for a total of \$33,000,000 funding available for distribution for both single family and multifamily activities. Approximately \$15,700,000 of the annual allocation and program income is used for multifamily activities described more fully under the Multifamily Finance Division section.

CONTACT: Individuals seeking assistance may search for local providers in their area online at <http://www.tdhca.state.tx.us/> or by calling the Housing Resource Center at 800-525-0657. Program administrators can call the HOME Division at (512) 463-8921.

ONLINE DOCUMENTS: See the State of Texas Consolidated Plan: One Year Action Plan at <http://www.tdhca.state.tx.us/housing-center/pubs.htm> for further details on the HOME Program. The HOME Program Rule may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/home-division/>.

FUNDING SOURCE: HUD

TYPE OF ASSISTANCE: Loans and grants

RECIPIENTS: Local service providers: units of local government, public housing authorities, nonprofit organizations, CHDOs and other eligible entities.

TARGETED BENEFICIARIES: AMFI levels are set by program rules and NOFAs and will vary from 60% AMFI to 80% AMFI, depending on the program

EMERGENCY SOLUTIONS GRANTS PROGRAM

ESG, previously known as the Emergency Shelter Grants Program (“ESGP”), is funded through the U.S. Department of Housing and Urban Development (“HUD”) and awards grants to units of local government and private nonprofit entities that provide persons experiencing homelessness and at risk of homelessness, the services necessary to quickly regain stability in permanent housing. ESG funds may also be used for renovation and rehabilitation of existing shelters.

TDHCA programs its ESG funds regionally for each of the HUD-designated Continuum of Care (“CoC”) Regions according to a combination of the region’s proportionate share of the state’s total share of a

number of factors, as outlined in the NOFA. The factors may include population experiencing homelessness, based on the Point-in-Time count submitted to HUD by the CoCs, and the region's proportionate share of people living in poverty, based on the American Community Survey ("ACS") poverty data published by the Census Bureau, as well as other factors.

For the 2016 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 21 applications directly and CoC lead agencies received 20 applications on behalf of TDHCA. TDHCA funded 31 entities for a total of \$8,464,517, which is the allocation to TDHCA minus funds held for TDHCA administration.

SUMMARY OF ESG PROGRAM FUNDING FOR FISCAL YEAR 2017

ESG anticipated funding for state FY 2017 is either the same amount or less than FY 2016, which was \$8,817,205. Applications for organizations that want to administer ESG funding will be accepted in winter of 2017 by either TDHCA or CoC lead agencies that are running a local competition on behalf of TDHCA, as determined by the NOFA.

CONTACT: Individuals seeking assistance may search for providers in their area online at <http://www.tdhca.state.tx.us/texans.htm> or by calling the Housing Resource Center at 800-525-0657.

Organizations interested in becoming program administrators may call Naomi Trejo, Coordinator for Homelessness Programs and Policy, 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% Area Median Family Income ("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 provide local programs to prevent and eliminate homelessness.

SUMMARY OF HHSP PROGRAM FUNDING FOR FISCAL YEAR 2017

The 84th Legislature appropriated \$10 million in General Revenue funds for the 2016-2017 biennium. Five million dollars was allocated to the designated urban areas in PY 2016; based on population this is currently the eight largest cities in Texas. Allocation is based on percentage of persons in poverty, veteran population, persons with disabilities, and Point-In-Time count of persons

experiencing homelessness. The second \$5 million will be available to the designated urban areas after the beginning of PY 2017.

CONTACT: HHSP Sub-grantees may be found by calling the Housing Resource Center at 800-525-0657. Program administrators can call Naomi Trejo, Community Affairs Division, at (512) 475-3975.

ONLINE DOCUMENTS: More HHSP information may be accessed online at <http://www.tdhca.state.tx.us/community-affairs/hhsp/>.

FUNDING SOURCE: State General Revenue Funds

TYPE OF ASSISTANCE: Grants

RECIPIENTS: Local governments and nonprofit entities in the State's eight largest cities: Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston and San Antonio.

TARGETED BENEFICIARIES: Persons experiencing homelessness and those at risk of homelessness, less than 30%AMFI or equal or less than 50% AMFI for recertification of assistance.

SINGLE FAMILY OPERATIONS AND SERVICES DIVISION

One division administers the Housing Trust Fund (“HTF”) Programs, Office of Colonia Initiatives (“OCI”) Programs, and the Neighborhood Stabilization Program. For the 2016-2017 biennium, the HTF offers the Amy Young Barrier Removal Program and Contract for Deed Assistance Program. For the same biennium, OCI offers the Colonia Self-Help Center (“SHC”) Program and the Texas Bootstrap Loan Program.



The Colonia Self-Help Center Program provides 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.

HOUSING TRUST FUND PROGRAMS

The HTF Program receives general revenue appropriations funding from the State of Texas, including the use of loan repayments from previous projects funded with HTF allocations. The HTF is the only State-funded affordable housing program. Funding is awarded as loans or grants to nonprofits, units of local government, councils of government, local mental health authorities, public agencies and public housing authorities. The targeted beneficiaries of the program are low-, very low- and extremely low-income households. The HTF funding level of \$11,792,500 (including program income) for SFY 2016-2017 was programmed through the 2016-2017 Housing Trust Fund Biennial Plan and NOFAs were released in accordance with the Plan. In accordance with Rider 15 of the General Appropriations Act (84th Regular Legislative Session), 10% of the annual allocation is transferred to the Texas Veteran’s Commission for the purpose of administering a Veterans Housing Assistance Program.

Amy Young Barrier Removal Program

The Amy Young Barrier Removal Program provides one-time grants of up to \$20,000 to persons with disabilities at or below 80% AMFI for accessibility modifications and to eliminate life-threatening hazards and correct unsafe conditions. Modifications may include, but are not limited to installing handrails; ramps, buzzing or flashing devices; accessible door and faucet handles; shower grab bars and shower wands; accessible showers, toilets and sinks; and door widening and counter adjustments.

Contract for Deed Assistance Program

The Contract for Deed Assistance Program supports eligible nonprofits and units of local government in assisting eligible households in colonias who wish to convert their contracts for deed into warranty deeds. Eligible activities include indentifying households with unrecorded contracts for deed and addressing other colonia housing issues such as clouded titles, releases from liens, property transfers and housing unable to meet Texas Minimum Construction Standards. Participating households must reside in a colonia within 150 miles of the Texas-Mexico border, wish to convert a contract for deed in to a warranty deed, and have a household income not exceeding 60% of the AMFI or the statewide income limits, whichever is greater.

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: Loans and grants

RECIPIENTS: Units of local government, non-profit organizations, for-profit organizations, and public housing authorities.

TARGETED BENEFICIARIES: AMFI levels are set by program rules and NOFA and will vary from 30% AMFI to 80% AMFI, depending on the program activity.

OFFICE OF COLONIA INITIATIVES PROGRAMS

Colonia Self-Help Center Program

Colonia SHCs were established in Cameron/Willacy, El Paso, Hidalgo, Starr and Webb counties per Tex. Gov't Code §2306.582. 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. The Colonia SHC Program also allows the Department to establish a Colonia SHC in any other county if the Department deems it necessary and appropriate and that county is designated as an economically distressed area. Operation of the Colonia SHCs is managed by local nonprofit organizations, CAAs or local units of government, or local housing authorities that have demonstrated capacity to operate a Colonia SHC.

The Colonia SHCs provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education.

Estimated funding for the PY 2016 the Colonia SHC Program is \$1,524,494. The funding for PY 2017 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 2017 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: 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”) is to redevelop into affordable housing or acquire and hold abandoned and foreclosed properties in areas that are documented to have the greatest potential for declining property values as a result of excessive foreclosures. In TDHCA’s Housing Support Continuum, NSP is referred to as a “Stimulus Program” since it was created as a result of the Housing and Economic Recovery Act (“HERA”) of 2008, establishing a temporary program meant to address economic issues at that time. Although no new NSP funding is being provided to Texas, NSP continues to operate and has approximately 600 land bank properties that will be put into final use, which could take several years. Information on NSP will remain in the annual SLIHP until all NSP activities are completed and the program has closed out.

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: NSP 1 was authorized by HERA as a supplemental allocation to the Community Development Block Grant Program through an amendment to the existing 2008 State of Texas Consolidated Plan One-Year Action Plan.

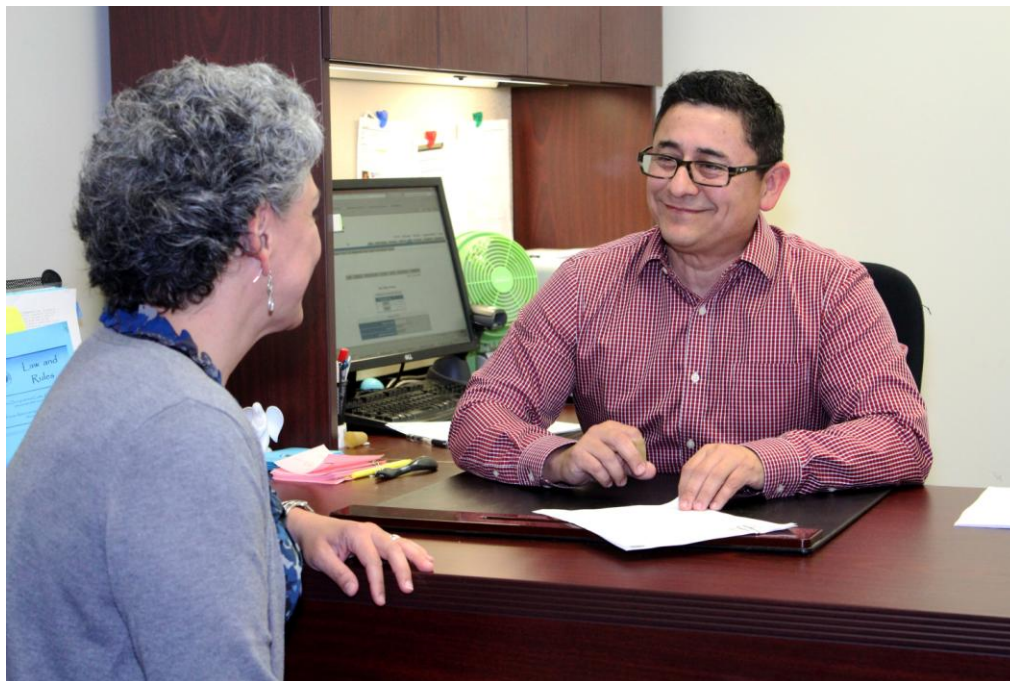
TYPE OF ASSISTANCE: Repayable loans at 0% interest and forgivable loans

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 assists walk-in customers at their customer service center.

The Manufactured Housing Division records ownership of over 66,500 homes per year and conducts over 16,500 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 over 77,000 incoming calls and assists approximately 2,000 walk-in customers per year in its customer service center and investigates approximately 600 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 Mariposa at Elk Drive in Burleson.

HOUSING TAX CREDIT PROGRAM

The HTC Program receives authority from the U.S. Treasury Department to provide tax credits to nonprofits organizations or for-profit developers. The tax credits are sold to investors, creating equity that decreases the need to incur and service debt; the equity generated through that sale allows the property owners to lease units at reduced rents. The targeted beneficiaries of the program are very low-income and extremely low-income families at or below 60% of the AMFI. The HTC Program was created by the Tax Reform Act of 1986 and is governed by the Internal Revenue Code of 1986 (“Code”), as amended, 26 USC Section 42. There are two different housing tax credit programs: the 9% Competitive HTC Program and the 4% Non-competitive HTC Program. Under the Competitive HTC Program, the Code authorizes tax credits in the amount of \$2.35 per capita of the state population. TDHCA is the only entity in the state with the authority to allocate HTCs under these programs. As required by the Code the TDHCA develops the HTC Program Qualified Allocation Plan (“QAP”) which establishes the scoring process and requirements relating to an allocation of housing tax credits.

Pursuant to Section 2306.6724(c) of the Tex. Gov't Code, the Governor shall approve, reject, or modify and approve the Board-approved QAP not later than December 1 of each year.

The distribution of the housing tax credits under the state ceiling are allocated on a regional basis according to the Regional Allocation Formula ("RAF") pursuant to 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 in July.

The estimated HTC state housing credit ceiling amount for FY 2017 is approximately \$64,552,418.

Under the 4% Non-competitive program, HTCs are awarded to developments that use tax-exempt bonds as a key component of their financing. These tax credit awards are made independent of the annual state housing credit ceiling and are not subject to the RAF. The applications are subject to the eligibility, threshold and underwriting requirements pursuant to the QAP and Uniform Multifamily Rules; however, because the credits associated with these applications do not come from the state housing credit ceiling, the application process is considered non-competitive and the selection criteria identified in the QAP are not applicable. Applications under this program are accepted throughout the year.

Eligible activities under the HTC Program include the new construction, reconstruction or rehabilitation of residential units that will be required to maintain affordable rents for an extended period of time. Rehabilitation developments must meet a minimum threshold for rehabilitation costs per unit. The minimum threshold varies depending on both the age of the property and the other financing involved in the development and are further identified in Chapter 10 of the Uniform Multifamily Rules, Section 10.101(b)(3).

In an effort to promote greater energy efficiency, the HTC Program requires developments to adhere to the statewide energy code and provide Energy Star Rated appliances. There are also additional threshold and/or selection criteria for the use of energy-efficient alternative construction materials including R-15 wall and R-30 ceiling insulation, 14 SEER or greater (seasonal energy efficiency ratio) or greater cooling units and numerous green building initiatives.

MULTIFAMILY BOND PROGRAM

The TDHCA issues tax-exempt and taxable multifamily bonds under its Private Activity Bond ("PAB") Program to provide loans for the development of affordable rental housing to nonprofit and for-profit developers who assist very low- to moderate-income Texans. The authority to issue PABs is derived from the Internal Revenue Code and the state's PAB program is administered by the Texas Bond Review Board ("BRB"). Pursuant to Section 1372 of the Tex. Gov't Code, approximately 22% of the annual private activity volume cap is set aside for multifamily developments and available to various issuers to finance multifamily developments. Of this amount, 20 percent, or approximately \$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 that comprise the thirteen state service regions. Applications submitted to TDHCA under the PAB program are scored and underwritten based on criteria identified in the Multifamily Housing Revenue Bond Rules and Chapter 2306, and ranked based on the following priority designations pursuant to Chapter 1372 of the 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 appliance. Moreover, the scoring criteria in the Multifamily Housing Revenue Bond Rules offers points for the use of energy-efficient alternative construction materials including R-15 wall and R-30 ceiling insulation, 14 SEER (seasonal energy efficiency ratio) or greater cooling units and green building initiatives.

MULTIFAMILY DIRECT LOAN PROGRAM

The Multifamily Finance Division awards HOME, Tax Credit Assistance Program Repayment Funds (“TCAP RF”), 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, including specific types of nonprofit developers known as

Community Housing Development Organizations (“CHDOs”). It is anticipated that approximately \$15 million in HOME funds will be available in the annual NOFA for SFY 2017.

The Tax Credit Assistance Program (“TCAP”) was a program created through ARRA that was successfully completed in 2012 with full reports in the 2013 SLIHP. Repayment Income from TCAP Loans received after the grant was closed out in March 2012, now called TCAP RF, has been awarded through NOFAs in SFY 2015 and SFY 2016. It is anticipated that approximately \$13 million in TCAP RF will be available in the NOFA for SFY 2017. The Department has made those funds available 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.

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 2017, TDHCA will be making available \$4,300,528 in NHTF through the NOFA. NHTF has very similar requirements to HOME funds except the households to be served must be at 30% AMI or less.

CONTACT: For a list of HTC, PAB, and HOME properties funded through TDHCA, contact TDHCA by phone at 1-800-525-0657 or online at <http://www.tdhca.state.tx.us/multifamily/housing-tax-credits-4pct/index.htm>. For a list of apartment vacancies in your area, contact TDHCA by phone at 1-800-525-0657 or online at <http://tdhca.state.tx.us/texans.htm>. For more information on the Competitive HTC Program contact 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 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, TCAP RF, and NHTF loans.

RECIPIENTS: For-profit entities, nonprofit organizations and CHDOs.

TARGETED BENEFICIARIES: Households at or below 60% AMFI

SECTION 811 PROJECT RENTAL ASSISTANCE PROGRAM



The Section 811 PRA program provides project-based rental assistance for extremely low-income persons with disabilities linked with voluntary long-term services.

The Section 811 Project Rental Assistance (“PRA”) program provides project-based rental assistance for extremely low-income persons with disabilities linked with voluntary long-term services. The program is made possible through a partnership between TDHCA, the Texas Health and Human Services Commission (“HHSC”) and participating multifamily properties.

Project rental assistance can be applied to new or existing multifamily developments owned by a nonprofit or private entity with at least 5 housing units that have received funding or are in the process of applying for funding through TDHCA's Multifamily Housing programs or any eligible federal agency or any state or local government program.

The program is limited to individuals who are part of one of the Target Populations and receiving services through one of the HHSC agencies participating in the program. Each eligible household must have a qualified member of one of the Target Populations that will be at least 18 years of age and under the age of 62 at the time of admission. All three Target Populations are eligible for community-based, long-term care services as provided through Medicaid waivers, Medicaid state plan options, or state funded services and have been referred to TDHCA through their Section 811 Referral Agent.

Target Populations:

- **People with disabilities living in Institutions.** This population includes those that wish to transition to the community from nursing facilities and Intermediate Care Facilities for Individuals with Intellectual Disabilities who are eligible for Medicaid waiver services and who may not have access to affordable housing in their community;

- **People with serious mental illness.** These individuals receive behavioral health services through the Department of State Health Services; and
- **Youth and young adults with disabilities exiting foster care receiving services through the Department of Family and Protective Services.** Youth and young adults exiting foster care often become homeless, particularly without the stability of long-term housing and comprehensive support services.

Only properties located in the following Metropolitan Statistical Areas (“MSAs”) are eligible to participate in the program:

- Austin-Round Rock
- Brownsville-Harlingen
- Corpus Christi
- Dallas-Fort Worth-Arlington
- El Paso
- Houston-The Woodlands-Sugar Land
- McAllen-Edinburg-Mission
- San Antonio-New Braunfels

The Section 811 PRA Program received a total award of \$12,342,000 for HUD PY 2012 and 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 more information about the Section 811 PRA Program, visit <http://www.tdhca.state.tx.us/section-811-pra/index.htm>.

ONLINE DOCUMENTS: Documents that must be executed by a participating multifamily development can be found by visiting: <http://www.tdhca.state.tx.us/section-811-pra/documents-for-execution.htm>.

Additional resource documents for participating multifamily developments can be found by visiting: <http://www.tdhca.state.tx.us/section-811-pra/resource-documents.htm>.

FUNDING SOURCE: HUD

TYPE OF ASSISTANCE: Project-Based Rental Assistance

RECIPIENTS: New or existing multifamily developments owned by a nonprofit or private entity with at least 5 housing units that have received funding or are in the process of applying for funding through TDHCA's Multifamily Housing programs or any eligible federal agency or any state or local government program.

TARGETED BENEFICIARIES: The program is limited to individuals who are part of one of the Target Populations and receiving services through one of the HHSC agencies participating in the program. Each eligible household must have a qualified member of a Target Population that will be at least 18 years of age and under the age of 62 at the time of admission. The Program is only available in limited areas.

TEXAS HOMEOWNERSHIP DIVISION

The Homeownership Division offers the My First Texas Home Program, Texas Mortgage Credit Certificate Program (“MCC”), and the Texas Statewide Homebuyer Education Program.



The Texas Homeownership Division offers comprehensive homebuyer education classes, including free courses online through Texas Homebuyer U.

MY FIRST TEXAS HOME PROGRAM

Previously, the Department had funded new homeownership activity under the First Time Homebuyer Program through the sale of tax-exempt mortgage revenue bonds. As a result of unusual market conditions, the program had been replaced by the My First Texas Home Program which is funded through the sale of mortgage backed securities that can be packaged into a tax exempt mortgage revenue bond or directly into the secondary market, a market where investors purchase securities or assets from other investors rather than from issuing companies themselves. As a result of this new Taxable Mortgage Program (“TMP”), program guidelines differ slightly from those previously required

of a tax-exempt mortgage revenue bond program. The program continues to be offered through a network of participating lenders. The program also continues to provide homeownership opportunities by offering competitive interest rate mortgage loans and down payment assistance for qualified individuals and families whose gross annual household income does not exceed 115% 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 is intending in 2017 to again issue tax-exempt mortgage revenue bonds to support this program.

Income limits for the program will continue to be in line with those set by the IRS Tax Code (1980) which governed the First Time Homebuyer Program because it used tax exempt bonds as its funding source. These limits are based on income categories determined by HUD. The first-time homebuyer restriction will continue to apply to anyone who has not owned a home within the last three years. Certain exceptions to the first-time homebuyer restriction, income ceiling and maximum purchase price limitation apply in targeted areas and/or to qualified Veterans. Targeted areas are defined as qualified census tracts in which 70% 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.

Projected My First Texas Home Program funding for FY 2017: \$240,000,000.

New rules for the TMP were published and approved by the Department to reflect the alternative funding source used to fund the program and to remove specific references to the Internal Revenue Tax Code that no longer are applicable.

In the spring of 2016, TDHCA launched the Texas Homebuyer U (“TXHBU”), 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: The TMP Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/homeownership>.

FUNDING SOURCE: Sale of Mortgage Backed Securities into the secondary market.

TYPE OF ASSISTANCE: 30-year fixed-rate mortgage loan financing at competitive interest rates, with down payment assistance in a second lien.

ADMINISTRATORS: Participating mortgage lenders.

RECIPIENTS: Households up to 115% AMFI who meet program guidelines or 140% AMFI who meet program guidelines in a targeted area and are able to qualify for a mortgage loan

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 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 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.

Projected MCC funding for FY 2017: \$215,000,000

CONTACT: Call 1-800-792-1119 to request additional program information or visit the website at: www.myfirsttexashome.com. Mortgage Companies or Banks interested in becoming a participating lender should call the Texas Homeownership Division at 512-475-0277.

ONLINE DOCUMENTS: For more information go to http://www.tdhca.state.tx.us/homeownership/fthb/mort_cred_certificate.htm.

FUNDING SOURCE: Conversion of single family private activity bond authority.

TYPE OF ASSISTANCE: Individual tax credit that offsets federal income tax liability.

ADMINISTRATORS: Participating mortgage lenders.

RECIPIENTS: Households up to 115% AMFI who meet program guidelines or 140% AMFI who meet program guidelines in a targeted area and are able to qualify for a mortgage loan.

TEXAS STATEWIDE HOMEBUYER EDUCATION PROGRAM

The 75th Texas Legislature passed HB 2577, which in part charged TDHCA with the development and implementation of a statewide homebuyer education program to provide information and counseling to prospective homebuyers. In 1999, TDHCA created the Texas Statewide Homebuyer Education Program to fulfill this mandate. The program brings comprehensive homebuyer education and promotes the uniform quality of homebuyer education provided throughout the state.

TDHCA, in conjunction with its Governing Board, made the decision to outsource the day to day administration of the program; currently the program is outsourced to Texas State Affordable

Housing Corporation (“TSAHC”). 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.texasfinancialtoolbox.com/>. For more information on TSHEP workshops or to become a certified homebuyer counselor, call the TSAHC at 512-220-1171.

ONLINE DOCUMENTS: For more information go to <http://www.tsahc.org/homeownership/for-housing-counselors>.

FUNDING SOURCE: State funds

TYPE OF ASSISTANCE: Training and referral services

RECIPIENTS: Local nonprofit homebuyer education providers or prospective providers

TARGETED BENEFICIARIES: No AMFI limits

HOUSING SUPPORT CONTINUUM

The Housing Support Continuum consists of a range of services that income-eligible households may need at different times of their lives, provided through the network of TDHCA-funded service providers. The Housing Support Continuum has six categories: (1) Poverty and Homelessness Prevention, (2) Rental Assistance and Multifamily Development, (3) Homebuyer Education, Assistance and Single-Family Development, (4) Rehabilitation and Weatherization, and (6) Disaster Relief.

(1) POVERTY AND HOMELESSNESS PREVENTION

For Texans who struggle with poverty or are currently homeless, TDHCA offers several programs that provide essential services to assist with basic necessities.

A. POVERTY PREVENTION

COMMUNITY SERVICES BLOCK GRANT PROGRAM

CSBG activities can be instrumental in preventing homelessness in the lowest-income populations. For those organizations that provide services through CSBG, activities may include: access to child care; health and human services; nutrition; transportation; job training and employment services; education services; activities designed to make better use of available income; housing services; emergency assistance (including rent and utilities); activities to achieve greater participation in the affairs of the community; youth development programs; information and referral services; activities to promote self-sufficiency; and other related services.

COMPREHENSIVE ENERGY ASSISTANCE PROGRAM

For those income-eligible Texans who have housing, subsidizing or reducing the energy costs may help keep that housing affordable and prevent homelessness. An applicant seeking energy assistance applies to the local CEAP subrecipient for assistance. The subrecipient determines income eligibility, priority group status (this includes a review of billing history to determine energy burden and consumption as well as family attributes such as older Texans, persons with disabilities, households with young children) and determines which benefit level is most appropriate for the eligible applicant. If the CEAP applicant is eligible, the CEAP subrecipient makes the energy payment to an energy company through a vendor agreement with energy providers. Additionally, some households qualify for repair or retrofit of existing heating and cooling appliances or purchase of portable heating and cooling appliances in cases of emergency.

Utility Assistance and Household Crisis Assistance benefits for an eligible household are the two CEAP assistance components, determined on a sliding scale based on income, household size and Federal Poverty Income levels. The Household Crisis Component is designed to provide one-time energy assistance to households during a period of extreme temperatures or an energy supply shortage. A utility disconnection notice may constitute a Household Crisis. In some instances, Household Crisis funds can be used to assist victims of natural disasters.

B. HOMELESSNESS PREVENTION

EMERGENCY SOLUTIONS GRANT PROGRAM

The ESG Program's focus is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. ESG funds can be utilized for the rehabilitation or conversion of buildings for use as emergency shelter for 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.

HOMELESS HOUSING AND SERVICES PROGRAM

HHSP was created for the purpose of assisting large urban areas to provide local programs to prevent and end homelessness. The assistance includes services to individuals and families experiencing homelessness, including the construction of shelter facilities, direct services related to housing placement, homelessness prevention, housing retention and rental assistance.

(2) RENTAL ASSISTANCE AND MULTIFAMILY DEVELOPMENT

For low-income Texans who have difficulty affording rent, TDHCA offers two main types of support; rental subsidies for low-income Texans and rental development subsidies for developers who, in turn, produce housing with reduced rents for low-income Texans.

A. RENTAL ASSISTANCE

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

The Section 8 Program provides rental subsidies for decent, safe and sanitary housing to eligible households. TDHCA pays approved rent amounts directly to property owners. Qualified households may select the best available housing through direct negotiations with landlords to ensure accommodations that meet their needs. A specialized program within the Section 8 Program is the Project Access vouchers, used to assist persons with disabilities transitioning from institutions into housing in the community.

SECTION 811 PROJECT RENTAL ASSISTANCE PROGRAM

The Section 811 PRA program provides project-based rental assistance for extremely low-income persons with disabilities linked with long term services. The program is made possible through a partnership between TDHCA, HHSC and eligible multifamily properties. The Section 811 PRA program creates the opportunity for persons with disabilities to live as independently as possible through the coordination of voluntary services and providing a choice of subsidized, integrated rental housing options.

TENANT-BASED RENTAL ASSISTANCE PROGRAM

The HOME Program's TBRA provides rental subsidy, security and utility deposit assistance. This program allows the assisted tenant to move and to live in any dwelling unit with a right to continued assistance, in accordance with written tenant selection policies, for a period not to exceed 24 months. If available, funds may be reserved to provide additional assistance for up to 60 months for tenants that meet certain program requirements. The HOME assisted tenant must participate in a self-sufficiency program.

B. MULTIFAMILY DEVELOPMENT

HOUSING TAX CREDIT PROGRAM, MULTIFAMILY BOND PROGRAM, AND MULTIFAMILY DIRECT LOAN PROGRAM

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.

(3) HOMEBUYER EDUCATION, ASSISTANCE AND SINGLE-FAMILY DEVELOPMENT

After a low-income household has become self-sufficient, the household may be ready for homeownership. Homeownership may help a low-income household to build equity, raise the household out of the low-income financial category and promote self-sufficiency. An asset-development approach to addressing poverty emphasizes the use of public assistance to facilitate long-term investments rather than incremental increases in income. TDHCA works to ensure that potential homeowners understand the responsibilities of homeownership by offering homeownership education courses as well as providing financial tools to make homeownership more attainable.

A. HOMEBUYER EDUCATION

COLONIA SELF-HELP CENTER PROGRAM

The Colonia SHC Program provides outreach, education and technical assistance to residents of colonias in support of their preparations to become homebuyers or to maintain homes. Colonia SHCs provide technical assistance in credit and debt counseling, housing finance, contract for deed conversions, and capital access for mortgages. The Colonia SHCs also offer training in housing rehabilitation, 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.

TEXAS STATEWIDE HOMEBUYER EDUCATION PROGRAM

To ensure uniform quality of the homebuyer education provided throughout the state, TSAHC will contract with training professionals to teach local nonprofit organizations including Texas Agriculture Extension Agents, units of local government, faith-based organizations, CHDOs, community development corporations, community-based organizations and other organizations with a proven interest in community building the principles and applications of comprehensive pre- and post-purchase homebuyer education. The training professionals and TSAHC will also certify the participants as homebuyer education providers.

B. HOMEBUYER ASSISTANCE

CONTRACT FOR DEED PROGRAM

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. The existing and the repaired or reconstructed home must be the principal residence of the homeowner. Assistance must be used for families that reside in a colonia and earn up to 60% AMFI.

CONTRACT FOR DEED ASSISTANCE PROGRAM

The HTF's Contract for Deed Assistance Program supports nonprofits and units of local government in assisting eligible households in colonias who wish to convert their contracts for deed into warranty deeds. Eligible activities include indentifying households with unrecorded contracts for deed and addressing other colonia housing issues such as clouded titles, releases from liens, property transfers and housing unable to meet Texas Minimum Construction Standards. Participating households must reside in a colonia within 150 miles of the Texas-Mexico border, wish to convert a contract for deed into a warranty deed, and have a household income not exceeding 60% of the AMFI or the statewide income limits, whichever is greater.

MY FIRST TEXAS HOME PROGRAM – NON-TARGETED FUNDS

The Texas Homeownership Division's My First Texas Home Program non-targeted funds may offer eligible homebuyers competitive interest rate mortgage loans and down payment assistance through a network of participating lenders. The program is available on a first-come, first-served basis to individuals or families up to 115% AMFI who meet income and home purchase requirements and have not owned a home as their primary residence in the past three (3) years.

MY FIRST TEXAS HOME PROGRAM – TARGETED FUNDS

The Texas Homeownership Division's My First Texas Home Program targeted funds may offer eligible homebuyers competitive interest rate mortgage loans and down payment assistance through a network of participating lenders in areas of chronic economic distress. The program is available on a first-come, first-served basis to individuals or families up to 140% AMFI who meet income and home purchase requirements. The first time homebuyer requirement is waived for borrower's purchasing properties located in targeted areas.

HOME - HOMEBUYER ASSISTANCE PROGRAM

HOME's Homebuyer Assistance includes down payment and closing cost assistance and is provided to homebuyers for the acquisition for affordable single-family housing. Homebuyer Assistance with Rehabilitation offers down payment and closing cost assistance and also includes construction costs associated with architectural barrier removal for homebuyers with disabilities. All HOME assisted homebuyers must attend a homebuyer counseling class.

MORTGAGE CREDIT CERTIFICATE PROGRAM – NON-TARGETED FUNDS

The Texas Homeownership Division's MCC provides a tax credit that effectively reduces the borrower's federal income tax liability. The amount of the annual tax credit currently equals 40% of the annual interest paid on a mortgage loan; however, the maximum amount of the credit cannot exceed \$2,000 per year. This tax savings may also provide a family with more available income to qualify for a loan and meet mortgage payment requirements. This program is available to qualifying households that make up to 115% AMFI.

MORTGAGE CREDIT CERTIFICATE PROGRAM – TARGETED FUNDS

The Texas Homeownership Division's MCC provides a tax credit that effectively reduces the borrower's federal income tax liability. The amount of the annual tax credit currently equals 40% of the annual interest paid on a mortgage loan; however, the maximum amount of the credit cannot exceed \$2,000 per year. This tax savings may also provide a family with more available income to qualify for a loan and meet mortgage payment requirements. This program is available to qualifying households that make up to 140% AMFI who will live in a home purchased in areas of chronic economic distress.

NEIGHBORHOOD STABILIZATION PROGRAM - HOMEBUYER ASSISTANCE PROGRAM

Homebuyer assistance is available for land bank properties used as the eligible homebuyer's principal residence through the Neighborhood Stabilization Program. Funds are only available for participants who currently own or manage NSP land bank properties. Homebuyer assistance financing may be provided for NSP land bank properties to eligible households at or below 120% of the AMFI.

C. SINGLE-FAMILY DEVELOPMENT

SINGLE FAMILY DEVELOPMENT

The HOME Programs' Single Family Development activity provides funding to CHDOs that can apply for loans to develop single-family affordable housing for households at or below 80% AMFI. CHDOs can also apply for homebuyer assistance if their organization is the developer of the single family housing project.

TEXAS BOOTSTRAP LOAN PROGRAM

The OCI's Texas Bootstrap Loan Program provides funds to purchase or refinance real property for new residential housing, construct new residential housing or improve existing residential housing. For more detailed information, see Section 6: Colonia Action Plan.

(4) REHABILITATION AND WEATHERIZATION

In the course of homeownership, there may come a time when substantial rehabilitation or reconstruction needs to take place. Persons with disabilities may also need accessibility modifications in order to be able to stay in their home. In addition, by providing minor repairs and weatherization to owned or rental housing, the energy costs associated with housing will be reduced. TDHCA offers both these services.

A. REHABILITATION and BARRIER REMOVAL

AMY YOUNG BARRIER REMOVAL PROGRAM

The HTF's Amy Young Barrier Removal Program provides one-time grants of up to \$20,000 to people with disabilities at or below 80% AMFI for accessibility modifications to their housing units and to eliminate life threatening hazards and correct unsafe conditions. Modifications may include, but are not limited to installing handrails; ramps, buzzing or flashing devices; accessible door and faucet handles; shower grab bars and shower wands; accessible showers, toilets and sinks; and door widening and counter adjustments.

HOMEOWNER REHABILITATION ASSISTANCE PROGRAM

HOME's Homeowner Rehabilitation Assistance Program provides rehabilitation, reconstruction, or new construction, assistance to homeowners for the repair or reconstruction of their existing home, which must be their principal residence. At the completion of the assistance, all properties must meet, as applicable, the Texas Minimum Construction Standards, the International Residential Code ("IRC"), the Department's Energy Efficiency rules, and local building codes, zoning ordinances and local construction requirements. If a home is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by Tex. Gov't Code §2306.514 and energy efficiency standards.

B. WEATHERIZATION

WEATHERIZATION ASSISTANCE PROGRAM

The purpose of Community Affairs' WAP is to provide cost-effective weatherization measures to improve the energy efficiency of income-eligible client households. In order to provide weatherization measures for a dwelling, the household must meet income-eligibility criteria and the measures must meet specific energy-savings goals. Typical weatherization measures include attic and wall insulation, weather-stripping and air sealing measures, heating and cooling unit repair and/or replacement, replacement of inefficient appliances such as refrigerators and minor repairs to allow energy efficient measures to be installed in the household. WAP also provides energy conservation education to empower clients to continue to reduce their energy burden.

(5) DISASTER RELIEF

When natural and man-made disasters strike, low-income households are often the most dramatically affected. TDHCA is committed to locating funds and developing programs and initiatives to assist the affected households and communities quickly, efficiently, and responsibly. However, long term recovery from major disasters is often carried out with specially appropriated funds administered by the Texas General Land Office.

COMMUNITY SERVICES BLOCK GRANT

The Department reserves a portion of the State's annual CSBG discretionary funds to provide emergency disaster relief to income-eligible persons who live in communities impacted by a natural or man-made disaster. The CSBG emergency disaster relief funds are distributed to CSBG-eligible entities and other human services delivery organizations and are to be utilized to provide eligible persons with emergency assistance, including but not limited to shelter, food, clothing, pharmaceutical supplies, bedding, cleaning supplies, personal hygiene items, and replacement of essential appliances including stoves, refrigerators, and water heaters.

HOME PROGRAM – DISASTER RELIEF

In accordance with the Texas Administrative Code, Title 10, part 1 Chapter 1, subchapter A §1.19 and Tex. Gov't Code §2306.111, the HOME Program utilizes deobligated and available funds for disaster relief through HRA, HBA and TBRA programs in communities that are not designated 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. Assisted households must have an income that is at or below 80% AMFI.

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 84th Texas Legislature. Refer to program-specific statements outlined in the Action Plan portion of this document for strategies that will be used to accomplish the goals and objectives listed below. Included for each strategy are the target numbers of the 2016 goals, the 2016 actual performance and the estimated performance for 2017.¹

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	2016 Target	2016 Actual	% of Goal	2017 Target
Number of households assisted through the My First Texas Home Program	2,414	2,988	123.78%	2,377

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.

¹ Targets for 2016 and 2017 were updated through the FY2018-2019 Legislative Appropriations Request unless otherwise noted.

Strategy 1.2

Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for affordable housing

Strategy #1	2016 Target	2016 Actual	% of Goal	2017 Target
Number of households assisted with Single Family HOME Funds	1,125	616	54.76%	1,125

Explanation of Variance:

The projection was based on previous methodology approved by the LBB that was a projection of the households approved for assistance. This measure is now reported when activities are closed, causing a variance from the original projections.

Strategy #2	2016 Target	2016 Actual	% of Goal	2017 Target
Number of households assisted with Multifamily HOME Funds	200	262	131.00%	200

Explanation of Variance:

The number was over the target because of more timely production of units for developments awarded in FY 13-14.

Strategy 1.3

Provide funding through the Housing Trust Fund for affordable single family housing

Strategy Measure	2016 Target	2016 Actual	% of Goal	2017 Target
Number of single-family households assisted through the Housing Trust Fund Program	175	162	92.57%	175

Explanation of Variance:

The number of households assisted is minimally below the "YTD Expected" because in a previous quarter. A Notice of Funding Availability was released and there is a lag between funds being made available and loans being closed (and counted).

Strategy 1.4

Provide federal rental assistance through Section 8 certificates and vouchers

Strategy Measure	2016 Target	2016 Actual	% of Goal	2017 Target
Number of households assisted through Statewide Housing Assistance Payments Program	960	1,138	118.54%	990

Explanation of Variance:

The total for the measure exceeds the annual target because over the year more households have been assisted than expected.

Strategy 1.5

Provide federal tax credits to develop rental housing for households with low income and very low income

Strategy Measure	2016 Target	2016 Actual	% of Goal	2017 Target
Number of multifamily households assisted through the Housing Tax Credit Program	8,090	5,994	74.09%	8,100

Explanation of Variance:

This performance measure captures actual households served as documented at cost certification after construction completion. Heavy rain and severe flooding in the past year caused delays in the construction completion of several properties. Cost certification for delayed properties are not required to be submitted until the 2nd quarter of FY 2017. Also, targets for this measure were based on allocation made two years previous in each quarter. Not all developments that were awarded in a specific quarter will also submit their cost certification and have units on the ground at the same time.

Strategy 1.6

Provide federal mortgage loans through the Multifamily Mortgage Revenue Bond Program

Strategy Measure	2016 Target	2016 Actual	% of Goal	2017 Target
Number of households assisted with the Multifamily Mortgage Revenue Bond Program	580	434	74.83%	900

Explanation of Variance:

This performance measure captures actual households served as documented at cost certification after construction completion. Heavy rain and severe flooding in the past year caused delays in the construction completion of several properties. Cost certification for delayed properties are not required to be submitted until the 2nd quarter of FY 2017. Also, the conditions in the bond markets, primarily relating to interest rates on tax-exempt bonds, had made it difficult for developers for some time to submit a financially feasible application for private activity bonds.

GOAL 2: TDHCA WILL PROMOTE IMPROVED HOUSING CONDITIONS FOR EXTREMELY LOW-, VERY LOW- AND LOW-INCOME HOUSEHOLDS BY PROVIDING INFORMATION AND TECHNICAL ASSISTANCE.

Strategy 2.1

Provide information and technical assistance to the public through the Housing Resource Center

Strategy Measure	2016 Target	2016 Actual	% of Goal	2017 Target
Number of information and technical assistance requests completed	6,000	8,639	143.98%	5,800

Explanation of Variance:

The number of informational and technical assistance requests handled by the Housing Resource Center (HRC) varies based on economic conditions across the state. 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	2016 Target	2016 Actual	% of Goal	2017 Target
Number of technical assistance contacts and visits conducted by the field offices	1,380	1,387	100.51%	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	2016 Target	2016 Actual	% of Goal	2017 Target
Number of persons assisted through homeless and poverty related funds	426,236	588,982	138.18%	426,236

Explanation of Variance:

Year end reporting corrections capture additional individuals that benefited from the poverty-related funding.

Strategy Measure #2	2016 Target	2016 Actual	% of Goal	2017 Target
Number of persons assisted that achieve incomes above poverty level.	1,100	1,265	115.00%	1,100

Explanation of Variance:

Subrecipients focused on assisting additional households.

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	2016 Target	2016 Actual	% of Goal	2017 Target
Number of Households Receiving Energy Assistance	146,545	136,071	92.85%	146,545

Explanation of Variance:

Moderate weather resulted in lower reported performance.

Strategy Measure#2	2016 Target	2016 Actual	% of Goal	2017 Target
Number of dwelling units weatherized through Weatherization Assistance Program	2,822	3,384	119.91%	2,822

Explanation of Variance:

Higher numbers reflect units not taken into consideration at the time of projection.

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	2016 Target	2016 Actual	% of Goal	2017 Target
Total number of onsite reviews conducted.	584	701	120.03%	691

Explanation of Variance:

More onsite file reviews were conducted than expected.

Strategy 4.2

The Compliance Division will administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Strategy Measure	2016 Target	2016 Actual	% of Goal	2017 Target
Total number of contract monitoring reviews conducted.	150	132	88.00%	150

Explanation of Variance:

There were fewer activities for HOME contracts than anticipated.

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	2016 Target	2016 Actual	% of Goal	2017 Target
Number of manufactured housing statements of ownership and location issued	65,000	51,586	79.36%	65,000

Explanation of Variance:

This measure is under the targeted amount due to the number of applications received incomplete, currently about 31%; these will be resubmitted for issuance.

Strategy 5.2

Conduct inspection of manufactured homes in a timely manner.

Strategy Measure	2016 Target	2016 Actual	% of Goal	2017 Target
Number of installation reports received	12,000	15,765	131.38%	12,000

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	2016 Target	2016 Actual	% of Goal	2017 Target
Number of complaints resolved	450	620	137.78%	450

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	2016 Target	2016 Actual	% of Goal	2017 Target
Average time for complaint resolution	180	66.0	36.67%	180

Explanation of Variance:

The average time is under the targeted projection, which is desirable.

Strategy Measure #3	2016 Target	2016 Actual	% of Goal	2017 Target
Number of jurisdictional complaints received	400	626	156.5%	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 approximately 150 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.

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)	2016 Target	2016 Actual	% of Goal	2017 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	\$62,341,219	207.80%	\$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)	2016 Target	2016 Actual	% of Goal	2017 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%	56.33%	281.65%	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	2016 Target	2016 Actual	% of Goal	2017 Target
Amount of HOME project allocation awarded to applicants that target persons with disabilities.	\$1,164,409	\$2,561,800.41	220.01%	\$1,164,409*

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 2017 target will be adjusted to reflect the 5% of the actual allocation of 2017 funds from HUD.

- Between 2010-2014 TDHCA served 19,335 low to moderate income households through \$234 million in funding for rental assistance, down payment assistance, and home rehabilitation/barrier removal.
- At least 16.6% of these funds, or \$38.8 million, served persons with disabilities.
- Persons with disabilities, as reported to TDHCA, comprised 14.3% of all households served through TDHCA down-payment assistance, rental assistance, and home rehabilitation programs between 2010- 2014 calendar year and 16.6% of funding.
- For programs that track or partially track for disability status, 23% of funds and 27% of households served were reported as including at least one person with a disability.
- In 2015, active TDHCA-funded rental developments reported that 17.5% of all units served a household with at least one member with a disability.
- From 2011- 2015, accessible design units comprised approximately 9% of all rental units developed per year.

TDHCA ALLOCATION PLANS

The Department has developed allocation formulas for many TDHCA programs in order to target available housing resources to the neediest households in each uniform state service region. These formulas are based on objective measures of need ensuring an equitable distribution of funding.

2016 REGIONAL ALLOCATION FORMULA

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 below.

The RAF used the following data from the Census Bureau to calculate this regional need and availability distribution:

- **Need factors:**
 - **200% of Poverty:** Number of persons in the region who live at or under 200% of the poverty line.
 - **Cost Burden:** Number of households with a ratio of monthly gross rent or mortgage payment to monthly household income that exceeds 30%.
 - **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 Regional Allocation tables provided below 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.

Second, 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 2017 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 2017 RAF

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Urban Funding Amount
1	Lubbock	\$ 622,533	5.7%	\$..... 501,972	\$ 120,561
2	Abilene	\$ 538,651	4.9%	\$ 438,329	\$ 100,322
3	Dallas/Fort Worth	\$ 1,856,378	16.9%	\$ 306,704	\$ 1,549,674
4	Tyler	\$ 1,071,696	9.7%	\$ 751,176	\$ 320,520
5	Beaumont	\$ 666,970	6.1%	\$ 483,529	\$ 183,442
6	Houston	\$ 597,124	5.4%	\$ 228,589	\$ 368,536
7	Austin/Round Rock	\$ 1,014,749	9.2%	\$ 220,416	\$ 794,333
8	Waco	\$ 660,629	6.0%	\$ 359,577	\$ 301,052
9	San Antonio	\$ 563,648	5.1%	\$ 267,407	\$ 296,241
10	Corpus Christi	\$ 622,333	5.7%	\$ 372,458	\$ 249,875
11	Brownsville/Harlingen	\$ 773,893	7.0%	\$ 477,071	\$ 296,822
12	San Angelo	\$ 657,424	6.0%	\$ 444,894	\$ 212,530
13	El Paso	\$ 1,353,973	12.3%	\$ 1,098,799	\$ 255,173
	Total	\$ 11,000,000	100.0%	\$ 5,950,921	\$ 5,049,079

HOME Multifamily Program 2017 RAF

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Urban Funding Amount
1	Lubbock	\$ 770,059	5.1%	\$ 590,701	\$ 179,358
2	Abilene	\$ 514,136	3.4%	\$ 460,657	\$ 53,479
3	Dallas/Fort Worth	\$ 3,056,631	20.4%	\$ 543,971	\$ 2,512,660
4	Tyler	\$ 1,889,539	12.6%	\$ 1,311,467	\$ 578,073
5	Beaumont	\$ 1,067,844	7.1%	\$ 801,355	\$ 266,489
6	Houston	\$ 901,677	6.0%	\$ 314,534	\$ 587,144
7	Austin/Round Rock	\$ 1,749,890	11.7%	\$ 286,656	\$ 1,463,234
8	Waco	\$ 702,812	4.7%	\$ 446,161	\$ 256,651
9	San Antonio	\$ 889,021	5.9%	\$ 411,568	\$ 477,453
10	Corpus Christi	\$ 940,737	6.3%	\$ 533,880	\$ 406,856
11	Brownsville/Harlingen	\$ 1,236,198	8.2%	\$ 770,208	\$ 465,989
12	San Angelo	\$ 669,808	4.5%	\$ 350,709	\$ 319,099
13	El Paso	\$ 611,648	4.1%	\$ 51,423	\$ 560,225
	Total	\$ 15,000,000	100.0%	\$ 6,873,291	\$ 8,126,709

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. Neither the Texas Bootstrap Loan Program nor the Contract for Deed Assistance Program 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 2017.

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. Furthermore,

HTC Program 2016 RAF

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Urban Funding Amount
1	Lubbock	\$ 1,725,084	3.5%	\$ 602,622	\$ 1,122,462
2	Abilene	\$ 1,000,000	2.0%	\$ 500,000	\$ 500,000
3	Dallas/Fort Worth	\$ 11,802,653	23.6%	\$ 542,354	\$ 11,260,299
4	Tyler	\$ 2,245,028	4.5%	\$ 1,295,942	\$ 949,086
5	Beaumont	\$ 1,439,971	2.9%	\$ 805,828	\$ 634,143
6	Houston	\$ 10,206,386	20.4%	\$ 500,000	\$ 9,706,386
7	Austin/Round Rock	\$ 4,131,005	8.3%	\$ 500,000	\$ 3,631,005
8	Waco	\$ 1,640,478	3.3%	\$ 500,000	\$ 1,140,478
9	San Antonio	\$ 4,621,689	9.2%	\$ 500,000	\$ 4,121,689
10	Corpus Christi	\$ 1,667,668	3.3%	\$ 528,635	\$ 1,139,033
11	Brownsville/Harlingen	\$ 5,557,973	11.1%	\$ 755,711	\$ 4,802,262
12	San Angelo	\$ 1,265,655	2.5%	\$ 500,000	\$ 765,655
13	El Paso	\$ 2,696,409	5.4%	\$ 500,000	\$ 2,196,409
	Total	\$ 50,000,000	100.0%	\$ 8,031,092	\$ 41,968,908

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.

- Community Involvement
 - Interagency collaboration and engagement of stakeholders on specific issues
- Fair Housing
 - Provide assistance in a way that expands fair housing choice and opportunities for Texans and works to reduce service barriers affecting members of protected classes and low-income residents.

Community Involvement

TDHCA's participation in numerous committees, workgroups, and councils allow the Department to stay apprised of other resources for affordable housing 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")	Health and Human Services Commission
Colonia Residents Advisory Committee ("C-RAC")	TDHCA
Faith and Community-Based Initiative	One Star Foundation
Disability Advisory Workgroup ("DAW")	TDHCA
Governor's Commission for Women	Governor's Office
Housing and Health Services Coordination Council ("HHSCC")	TDHCA
Money Follows the Person Demonstration Project ("MFP")	Department of Aging and Disability Services
Promoting Independence Advisory Committee ("PIAC")	Health and Human Services Commission
Reentry Task Force	Department of Criminal Justice
Interagency Colonia Coordination Workgroup	Secretary of State
Interagency Workgroup on Border Issues	Secretary of State
Texas Interagency Council on the Homeless ("TICH")	TDHCA
Texas State Fair Housing Workgroup	TDHCA
Texas State Independent Living Council ("SILC")	Department of Assistive and Rehabilitative Services
Texas Coordinating Council for Veteran Services	Texas Veterans Commission
WAP Planning Advisory Committee ("PAC")	TDHCA

TDHCA is also involved in numerous national organizations that focus on housing or public administration. Some of these organizations include the Council of State Community Development Agencies, National Council of State Housing Agencies, National Center for Housing Management, National Energy Assistance Directors Association, National Association for State Community Services Programs, and others. Participation in these national organizations keeps TDHCA abreast of federal

regulation updates and allows TDHCA to respond effectively to changes in federal funding and programs.

TDHCA's workgroups and coordination groups for which it is the lead agency are discussed below, listed alphabetically.

Colonia Residents Advisory Committee ("C-RAC")

C-RAC is a committee of 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. 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.

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.

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.

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/hhsc>. 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.

On June 15, 2015, TDHCA, on behalf of the Housing and Health Services Coordination Council, contracted with the Corporation for Supportive Housing (“CSH”) who developed and implemented a robust package of training and technical assistance services following a blended learning model to nine local community teams from across Texas. This package weaved together web-based learning, intensive in-person training, and both remote as well as on-site technical assistance for the community teams. The intensive in-person Housing and Services Partnership Academy was held in February 2016 in Austin. The Academy included a tenant panel, round table discussions led by housing and services state agency staff, and sessions on affordable housing development, building community support, etc. The web-based learning modules primarily focused on providing teams with a wealth of information and materials to increase their knowledge and understanding of key concepts, strategies, best practices and resources for developing SEH in their communities. These training components allowed teams to develop a broad foundation of knowledge from which to build and act upon. Following the in-person Academy, CSH provided a comprehensive package of technical assistance, designed to position the teams to apply the lessons learned and knowledge gained from the online and in-person training and further flesh out their plans for developing new SEH in Texas communities.

Last, CSH conducted an evaluation of the project and will continue technical assistance with the existing community teams through August 2017 in accordance with a renewal of their contract with TDHCA.

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 11 state agencies that serve persons experiencing or at risk of homelessness. Membership also includes representatives appointed by the office of the governor, the lieutenant governor and the speaker of the house. The TICH receives no funding and has no full-time staff, but receives facilitation and advisory support from TDHCA. The TICH's major mandates include:

- evaluating and helping coordinate the delivery of services for 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 2015 Annual Report is available on the TICH website at <http://www.tdhca.state.tx.us/tich/index.htm>.

The 84 (R) Texas Legislative Session's SB 1580 requires TDHCA, in conjunction with the TICH and the Texas Veterans Commission (“TVC”) to conduct a study of veterans experiencing homelessness. The

study is due to the Texas Legislature no later than December 1, 2016. The study requires the following:

- A definition of homeless veteran used for the study
- The status of homeless veterans in Texas
- Statewide and local entities providing services for homeless veterans
- Funding sources of services for homeless veterans
- Recommendations to the State's approach to address veteran homelessness
- Recommendations to State law to assist homeless veterans.

For the definition of Veterans experiencing homelessness, the study includes the definition used for the count of Veterans experiencing homelessness conducted annually during the Point-in-Time ("PIT") count required by the Department of Housing and Urban Development ("HUD"). Even with its limitations, the PIT count is the most widely-accepted count of persons experiencing homelessness.

For the status of Veterans experiencing homelessness in Texas, TVC provided Veteran demographics to give context to the Veteran population. Then the study includes the number of Veterans experiencing homelessness from the PIT count for last three years, provided by the Texas Homeless Network, a private nonprofit organization whose mission is to provide solutions to end homelessness in Texas communities. To determine needs of Veterans experiencing or at risk of homelessness, the Health and Human Services Commission ("HHSC") provided three years worth of data for calls to 2-1-1 Texas Information and Referral Network in certain cities for persons who identified as Veterans. In addition, various TICH member agencies provided the status of Veterans experiencing homelessness by identifying housing needs and service needs.

The status of Veterans experiencing homelessness has been affected by various federal initiatives, including the Mayors Challenge to effectively end Veteran homelessness. A survey of Texas cities that took the Mayors challenge was conducted by the Health and Human Services Commission's ("HHSC") Office of Health Statistics and the Office of Veteran Services. Along with the survey, TDHCA provided a case study of the Mayor's Challenge in Houston, which was the first city in Texas to meet the federal benchmarks to effectively end Veteran homelessness. Since the start of the study in 2015, San Antonio and Austin have also reached the federal benchmarks to effectively end Veteran homelessness.

To fulfill the requirement of finding statewide and local entities providing services for veterans and funding sources, the TICH membership were asked to complete a chart which shows which programs are available to persons experiencing or at-risk of homelessness, programs with set-asides or preferences for Veterans experiencing or at-risk of homelessness, and the funding available.

For the recommendations to state programs and state law, staff from TDHCA and TVC held two roundtables, and TDHCA held an online forum to gather recommendations to address Veteran homelessness. The recommendations were vetted through TDHCA staff, the TICH Veteran Workgroup, and the TICH membership. Consequences and information on existing resources or state processes of each recommendation were considered. The Report on Homelessness among Veterans is anticipated to be posted online at <http://www.tdhca.state.tx.us/tich/hvs.htm>.

In addition to the study on homelessness among Veterans, the 84 (R) Texas Legislative Session's House Bill (HB) 679 requires TDHCA, in conjunction with the TICH, to conduct a study of youth experiencing homelessness. The study is due to the Texas Legislature no later than 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 occurred between October 2015 and March 2016. The Report on Homelessness among Youth was conducted in three phases:

Phase I - Survey Tool Development. From July to August 2015, TDHCA contracted with the Texas Network of Youth Services (“TNOYS”) to create two surveys: one survey for use during the annual PIT count of persons experiencing homelessness in January 2016 and one survey for a needs assessment which can be used up until March 2016. An annual PIT count in January is required by HUD.

Phase II - Survey Implementer. From September 2015 to May 2016, TDHCA contracted with TNOYS to create training for survey implementation, provide technical assistance for Continuum of Care (“CoC”) member agencies, create a data collection methodology and system, and deliver a report of the results of the implementation. TNOYS subcontracted with the Texas Homeless Network to complete the requirements to implement the survey.

Phase III - Data Analysis. The data from Phase II, along with data collected from other state agencies, was analyzed by the University of Houston to examine the number and needs of youth experiencing homelessness and the degree to which current programs are meeting those needs; identify any sources of funding that might be available to provide services to youth experiencing homelessness; and develop a strategic plan establishing steps to be taken and timelines for reducing youth homelessness in this state.

The TICH Homeless Youth Workgroup members had meetings with TNOYS to give input into the survey tool, and were updated during the survey implementation. In addition, summaries of the progress on the study are given at the quarterly TICH meetings for the membership as a whole. The Report on Homelessness among Youth is anticipated to be posted 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.

Revised Citizen/Community Participation Plan

In 2017, staff will revise the State’s Citizen/Community Participation Plan to comply with the 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 citizen/community participation plan must be amended prior to the initiation of the Assessment of Fair Housing (“AFH”) process and attempt to reach a broad audience, with specific engagement with protected classes and organizations representing those classes. TDHCA staff is working with the Fair Housing Workgroup to create the State’s Citizen Participation Plan. The plan is scheduled to be finalized by November 2017, pending release of the final state AFH tool.

Weatherization Assistance Program Planning Advisory Committee

The WAP PAC is comprised of representatives of organizations and agencies and provides balance, background and sensitivity with respect to solving the problems of income-eligible persons, including the weatherization and energy conservation problems. At the present time, the PAC consists of four members. Any additions to the PAC will be reviewed by the Department's Governing Board.

Historically, the PAC has met annually after the public hearing for the DOE plan. Other representatives include tribal representatives, weatherization providers, energy providers and consumer-related groups.

FAIR HOUSING

Through rule provision, program administration, monitoring, education, outreach and training, TDHCA works to ensure that its housing and assistance programs are compliant with HUD's requirements and regulations regarding affirmatively furthering fair housing. 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.

Policy-Driven Action: The State of Texas's Phase 2 Analysis of Impediments ("AI") was submitted to HUD on November 8, 2013. The Fair Housing, Data Management, and Reporting group tracks goals under the AI. The group is essential in working across the agency to consolidate records of fair housing activities and setting priorities and goals. Highlights of its current activities include but are not limited to the following:

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 periodically shared with TDHCA's Board of Directors.

The creation and maintenance of fair housing web pages expand on the previously developed page and improve housing discrimination complaint direction. The website includes the following resource pages: Fair Housing 101; Renters, Homebuyers, Housing Professionals resource pages; Elected Officials and Local Governments; Fair Housing Policy & Guidance; Training; Toolkits, Sample Forms, and Downloads; How To File a Complaint; TDHCA Fair Housing Corner; External Newsfeeds; Find An Apartment; Join Our Email List; Contact Us. The new website section pulls together information and creates linkages to sites maintained by HUD, the Department of Justice ("DOJ"), the American Disability Association ("ADA"), the National Fair Housing Alliance ("NFHA"), the National Low Income Housing Coalition, and other resources. Local sites such as the Texas Apartment Association, the University of Texas William Wayne Justice Center, Disability Rights Texas, the YWC, and the Texas State Law Library are also available. The improved site has been shared with the Texas Department of Agriculture ("TDA"), TWC, DSHS, and the General Land Office ("GLO") to facilitate discussions on ways to streamline complaint direction between agencies and establish consistent fair housing resources pages between agencies. The site is also being promoted with external groups that may find its content highly relevant, such as the HHSCC. The fair housing website section is available at: <http://www.tdhca.state.tx.us/fair-housing/index.htm>.

Staff implemented a three-part fair housing webinar series in coordination with the Texas Workforce Commission. Presentations provided the basics of fair housing in Texas, reasonable accommodations, and best practices for multifamily developments. Presentations benefit housing providers, housing consumers, local jurisdictions, and housing advocates. Videos of the webinars are available on TDHCA's website along with the presentation slides and transcripts. The free webinar series is available 24/7 online at <https://www.tdhca.state.tx.us/fair-housing/presentations.htm>.

Staff developed a demographic database that consolidates Housing Tax Credit demographic data and compares trends to demographic data collected by the census. 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.

Revised Tenant Selection and Affirmative Marketing Rules. The Department amended the Uniform Multifamily Rules to assist in guiding its goals to affirmatively further fair housing and decrease housing barriers across the state. The rules emphasize choice and opportunity through developing in areas of opportunity and areas of concerted revitalization. The Single Family Umbrella 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.

Revised Undesirable Site Features and Undesirable Neighborhood Characteristics. The Department maintains its rules on undesirable site features and undesirable neighborhood characteristics in Subchapter B of its Uniform Multifamily Rules. Development sites may be found eligible, despite the existence of undesirable neighborhood characteristics through a specific process outlined in the rules whereby documentation that sufficiently mitigates the undesirable characteristic(s) is provided and reviewed by staff. The multifamily rules provide guidance on types of mitigation that may be submitted and further outline specific criteria by which the Governing Board would evaluate in deeming a site eligible.

Staff proposed amendments to the Department's reasonable accommodation rule, §1.204. Amendments were proposed to clarify the response time to requests to ensure people with disabilities have access to Department programs, housing, and services. 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.

Homelessness 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.

The Fair Housing Team has worked to improve Fair Housing units in program trainings throughout the agency as well. The ESG Program worked in collaboration with Legal and the Fair Housing Team to create a major Fair Housing unit for the ESG Implementation Workshop; this has been updated and incorporated annually since 2014. The webinar included civil rights laws, equal access and non-discriminatory policies for protected classes, affirmative outreach, improved access for persons with

limited English proficiency, and consistent written policies and procedures to evaluate and target services for all persons.

Staff examined small area fair market rents (“FMRs”) and hypothetical small area fair market rents to determine if FMRs in the Department’s Section 8 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.

On August 17, 2015, HUD adopted the Final Affirmatively Furthering Fair Housing Rule (“AFFH” or “the rule”) which governs what block grant recipients of certain HUD funds (being those funds overseen by HUD’s Division of Community Planning and Development (“CPD”) and Public Housing Authorities funded under 42 U.S.C. §1437e must do to affirmatively further fair housing. Upon its final release, staff is preparing to meet the requirements of the tool as described in the final AFFH rule.

The rule replaces the Analysis of Impediments (“AI”) to Fair Housing Choice with a new Assessment of Fair Housing (“AFH”) tool. The AFH Tool uses HUD-generated data, and a significant community participation process, to identify four main areas:

- Racially and ethnically concentrated areas of poverty
- Patterns of integration and segregation
- Disparities in access to opportunity; and
- Disproportionate housing needs

The rule requires that Government entities that accept certain HUD funds take “meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” HUD believes the duty to affirmatively further fair housing extends to all of the program participant’s activities related to housing and community development, regardless of funding source. Meaningful actions, according to HUD, “means significant actions that are designed and can be reasonably expected to achieve a material positive change that affirmatively furthers fair housing by, for example, increasing fair housing choice or decreasing disparities in access to opportunity.”

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 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. The State of Texas assessment of fair housing will be due to HUD in May 2019, pending release of the state tool. 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.

SPECIAL NEEDS POPULATIONS

In addition to the policy initiatives described above, TDHCA addresses special needs populations in a variety of ways, as described below. The special needs populations discussed below were designated by HUD, designated by TDHCA or included in Section 2306 of the Tex. Gov't Code, which requires the SLIHP. Each program addresses special needs populations uniquely. Some programs, such as HOME, establish funding levels for certain special needs populations and other programs, such as the HTC Program, include point incentives in their scoring criteria for serving certain special needs populations. Specifics about the priorities and strategies to provide housing for persons with special needs population in each state service region are below.

Special Needs Populations include:

- Colonia Residents (TDHCA)
- Elderly Populations (§2306.0721(c)(1) and HUD)
- Homeless Populations (§2306.0721(c)(1) and HUD)
- Farmworkers (§2306.0721(c)(1))
- Persons with Alcohol and Substance Abuse Issues (HUD)
- Persons with Disabilities (mental, physical, developmental) (HUD)
- Persons with Violence Against Women Act (“VAWA”) Protections (TDHCA and HUD)
- Persons with HIV/AIDS and Their Families (HUD)
- Public Housing Residents (HUD)
- Veterans and Wounded Warriors (§2306.0721(c)(1) and HUD)
- Youth Aging Out of Foster Care (§2306.0721(c)(1) and HUD)

COLONIA RESIDENTS

Colonias are substandard housing developments mainly found along the Texas-Mexico border. These developments lack basic services, such as drinking water and sewage treatments. In its update to the 84th Legislature, the Texas Office of the Secretary of State’s Colonia Initiatives Program reports that, even though significant challenges and barriers remain, progress continues in colonias in major counties along the Texas-Mexico border. To continue this progress, several state agencies, including TDHCA, are working to address remaining barriers in colonia communities.

Policy-Driven Action: The OCI, HOME, HTF, and HTC Credit programs provide incentives to serve or prioritize the special needs of colonia residents.

In 1996, TDHCA created the OCI in an effort to place greater emphasis on addressing the needs of persons residing in colonias. The OCI is charged with implementing 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 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 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 Assistance 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.

ELDERLY POPULATIONS

Elderly populations have a range of unique housing needs. 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. A 2014 Harvard University Joint Center for Housing Studies report on housing needs of the nations aging population found that, on average, severely cost burdened and low-income households spend more than 40% less on food than households living in housing they can afford, making clear the link between hunger and high housing costs among older adults. Other housing needs are described in the Housing Analysis chapter.

Policy-Driven Action: The Multifamily HOME Program, HTC Program and Multifamily Bond Program require owners to provide tenant supportive services for the benefit of the residents. In addition, TDHCA plays an active role in the Housing and Health Services Coordination Council, which works to increase the amount of service-enriched housing for seniors and persons with disabilities. A description of this Council is included under “Policy Initiatives” above.

CSBG-eligible entities operate programs targeting the elderly. Such programs include Meals-on-Wheels, congregate meal programs, senior activity centers and home care services.

The Department’s CEAP and WAP give preference to the elderly as well as other special needs and priority populations. Subrecipients must conduct outreach activities for these special needs populations.

Homeowner Rehabilitation Assistance, offered through the HOME Program and the Amy Young Barrier Removal Program offered through the Housing Trust Fund provide funds for the repair and rehabilitation of homes owned by low-income households. Many of the assisted households are aging Texans, thereby facilitating their ability to remain in their communities, keep existing social networks intact, and decrease dependence on institutional assistance.

HOMELESS POPULATION

Homelessness is defined in a variety of ways. While the definition of homelessness is intricate and varied, in general the HEARTH Act of 2009 expanded the definition of homelessness from persons lacking a nighttime residence to include persons who will imminently lose their housing and have no subsequent residence identified.

Policy-Driven Action: The first phase of the Housing Support Continuum is “(1) Poverty and Homelessness Prevention” and includes the CSBG Program, CEAP, ESG Program and HHSP. In

addition, other programs not specifically created for homelessness prevention nevertheless include several activities to address this population's special needs. For instance, the HTC Program can be used to assist homeless populations. Finally, TDHCA provides facilitation and advisory support to the TICH, described under "Policy Initiatives" above.

While the HTC Program is well-known and primarily used for the construction, acquisition and/or rehabilitation of housing that serves the general population or elderly populations, it can also be used to develop transitional housing and permanent supportive housing for homeless populations. Moreover, the QAP, which governs the Competitive 9% HTC Program, offers points in the scoring criteria for developments that propose to set aside 5% of the units for persons with special needs. One of the nine special needs categories for the HTC Program is homeless populations.

FARMWORKERS

Farm labor helps to support very large industries in the U.S. For example, the fruit and vegetable industry is a 26 billion dollar industry. However, farmworker housing is often substandard or non-existent and the wages of the farmworker are usually low (National Center for Farmworker Health, Inc, 2012). Farmworker housing conditions are further exacerbated by legal, cultural, and geographic circumstances that often keep this population outside of the mainstream and contribute to their economic marginalization (Housing Assistance Council, 2013).

Policy-Driven Action: 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 license and inspection of farmworker housing facilities from the Texas Health and Human Services Commission to TDHCA. Additionally, the bill directed TDHCA to complete a study on quantity, availability, need and quality of farmworker housing facilities in Texas. See <http://www.tdhca.state.tx.us/housing-center/pubs-special.htm> for a copy of the report.

Additionally, TDHCA set aside a portion of its FY2016 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 migrant farmworkers.

PERSONS WITH ALCOHOL AND SUBSTANCE USE ISSUES

Alcohol and substance use issues can be linked to housing problems, including homelessness. Several studies have found that approximately 41-84% of homeless adults have a substance use disorder (Tsai, Kaspro and Rosenheck, 2013). Further, many individuals with substance use issues face multiple barriers to accessing housing while suffering from addiction. Being without a stable place during substance abuse recovery only increases the likelihood that these treatments will fail (United States Interagency Council on Homelessness, 2015).

Policy-Driven Action: TDHCA addresses the needs of persons with alcohol and substance abuse issues through the HTC and ESG programs.

The HTC Program QAP offers points in the scoring criteria for developments that propose to set aside 5% 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 2016 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; and youth aging out of foster care.

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.)

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 and TDHCA's Uniform Multifamily Rules in the Texas Administrative Code require all TDHCA Multifamily properties funded after September 1, 2001, to operate in compliance with Section 504 of the Rehabilitation Act of 1973. Owners are required to pay for reasonable accommodations/modifications requested by persons with a disability. TDHCA's Fair Housing Team and Compliance Division have produced a Tenant Rights and Resources Guide for TDHCA Monitored Properties that highlights rights to reasonable accommodations and ways to file discrimination complaints in the state of Texas.**
- **Tex. Gov't Code and TDHCA's Uniform Multifamily Rules in the Texas Administrative Code prohibit all TDHCA Multifamily properties from refusing to rent to households with Section 8 Housing Choice Vouchers and other federal/state subsidy programs solely on the basis of participation in such programs. The copy of the Tenant Rights and Resources Guide mentioned above will also assist in highlighting this TDHCA monitored property provision for tenants, PHAs, Legal Aid, and other housing advocacy groups. Specific 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 2017 Uniform Multifamily Rules, which were approved by the TDHCA Board on November 10, 2016, include as a threshold item participation in TDHCA's new HUD-funded grant for the 811 PRA Demonstration Program, which is intended to offer additional housing options for**

persons with disabilities through project based section 8 vouchers that will be utilized in its Housing Tax Credit portfolio. Recognizing the potential financial feasibility concerns associated with 4% HTC developments, such applications are exempt from having to meet this threshold requirement. However, participation is otherwise required for 9% HTC applications and Direct Loan only applications, as well as 4% HTC applications that are layered with Direct Loan funds.

Highlights specific to Single Family and Community Affairs Programs:

- For 2013, the TDHCA Governing Board approved an increase in Project Access Vouchers from 120 to 140 to maximize the amount of assistance provided to low-income households with persons with disabilities. Project Access was created to serve as a voucher source for individuals exiting nursing facilities, Intermediate Care Facilities, and board and care homes as defined by HUD. To reduce the time a client is on the Project Access wait list, Project Access staff worked closely with HOME TBRA staff and Administrators to identify a process that transitions eligible voucher holders to HOME TBRA and then subsequently to a Project Access voucher to minimize gaps in services and offer longer term assistance to persons with disabilities. Project Access vouchers, along with providing additional rental assistance vouchers for previously unassisted households, will also widen the ability of the HOME program to serve persons with disabilities (in addition to its Homebuyer Assistance, Single Family Development, and Homeowner Rehabilitation Activities which currently offer additional funds for persons with disabilities requesting accessible features). Through this intensive management of these vouchers, the Project Access waiting list has been almost depleted as of October 2016, so that those newly interested in the program now have significantly reduced wait times.

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. The rehabilitation funds perform minor physical modifications such as extra handrails, grab bars, wheelchair-accessible bathrooms, kitchens and ramps, thus making existing units livable and providing a cost-effective and consumer-driven alternative to institutionalization. Likewise, the availability of rental vouchers that provide options beyond institutional settings is a high priority. Since many persons with disabilities and older Texans live on fixed incomes, such as Supplemental Security Income, another recognized need is deeply affordable rents.

Policy-Driven Action: The CEAP, WAP, HOME Program, HTC Program, Multifamily Bond Program, NSP, HTF Program, Section 8 Program, and Section 811 PRA Program all have specific measures to address the needs of people with disabilities. Furthermore, the Integrated Housing Rule, as implemented by TDHCA, works to ensure that persons with disabilities are able to live in integrated settings like individuals without disabilities. In addition, TDHCA plays an active role in the Housing and Health Services Coordination Council, Promoting Independence Advisory Committee and the Disability Advisory Workgroup, all of which collaborate with groups representing people with disabilities, described under “Policy Initiatives” above.

Priority for energy assistance through CEAP and WAP are given to persons with disabilities as well as other special needs and prioritized groups. Local providers must implement special outreach efforts for these special needs populations.

As established in Section 2306.111(c) of the Tex. Gov’t Code and subject to the submission of qualified applications, five% of the annual HOME Program allocation is allocated for serving persons with disabilities living in any part of the state. The 2016 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 five% of the development's units be accessible for persons with physical disabilities and at least two% of the units be accessible for person with hearing and visual impairments. In addition, the Uniform Multifamily Rules call for at least 20% of unit types that would normally be exempt from Fair Housing accessibility requirements to comply.

The 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 2016 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; and youth aging out of foster care.

Policy-Driven Action: TDHCA is now one of 25 states awarded funds by HUD for the Section 811 PRA Program. TDHCA received the maximum grant amount for HUD's 2012 and 2013 rounds. These two grants 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 the Texas Health and Human Services Commission, 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 the Health and Human Service Agencies.

Integrated Housing Rule

Advocates for persons with disabilities engaged with the Department to advocate that affordable housing for persons with disabilities should be integrated into the community. Integrated housing, as defined by SB 367 and passed by the 77th Texas Legislature, is "housing in which a person with a disability resides or may reside that is found in the community but that is not exclusively occupied by persons with disabilities and their care providers." The Department, with the assistance of the TDHCA Disability Advisory Workgroup, developed an integrated housing rule to address this concern. The

Integrated Housing Rule, for use by all Department housing programs, is found at 10 TAC 1.15 and is summarized as follows:

A housing development may not restrict occupancy solely to persons with disabilities or persons with disabilities in combination with other special needs populations.

- Large housing developments (50 units or more) shall provide no more than 18% 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 above refer only to the units that are to be solely restricted for persons with disabilities. This section does not prohibit a property from having a higher percentage of occupants with disabilities.
- Property owners may not market a housing development entirely, nor limit occupancy to, persons with disabilities.

Exceptions to the above rule include (1) scattered site development and tenant-based rental assistance; (2) transitional housing that is time limited with a clear and convincing plan for permanent integrated housing upon exit from the transitional situation; (3) housing developments designed exclusively for the 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 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. Although housing is a constant need for survivors of domestic violence survivors, according to the National Network to End Domestic Violence, on a single day in 2015 63% of the survivors who identified a need for housing services did not receive them, (2015). Services which may help survivors of domestic violence move to safety include physical protection services, legal protection of his or herself and any children involved, counseling and employment assistance.

Policy-Driven Action: The Texas Health and Human Services Commission Family Violence Program funds for 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.

Finally, 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.

PERSONS WITH HIV/AIDS AND THEIR FAMILIES

Human Immunodeficiency Virus (HIV) is the virus that causes Acquired Immunodeficiency Syndrome (AIDS). HIV infects cells and attacks the immune system, which weakens the body and makes it especially susceptible to other infections and diseases. In 2015, there were 82,745 Texans living with HIV/AIDS (Texas Department of State Health Services, 2016). Because of increased medical costs or the loss of the ability to work, people with HIV/AIDS may be at risk of losing their housing arrangements.

The Texas Department of State Health Services (“DSHS”) addresses the unmet housing and supportive services needs of persons living with HIV and their families in Texas by providing emergency short-term rent, mortgage and utility assistance; tenant-based rental assistance; and supportive services to income-eligible 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. The goals of the DSHS HOPWA program are to help low-income HIV-positive clients establish or maintain affordable and stable housing, to reduce the risk of homelessness and to improve access to health care and supportive services. In addition to the DSHS statewide program, the cities of Austin, Dallas, Fort Worth, Houston and San Antonio receive HOPWA funds directly from HUD.

Policy-Driven Action: The QAP, which governs the Competitive 9% HTC program, offers points in the scoring criteria for developments that propose to set aside 5% of the units for persons with special needs; One of the nine special needs categories for the HTC Program is persons with HIV/AIDS.

PUBLIC HOUSING RESIDENTS

According to HUD, there are 54,455 low-rent units of public housing in Texas. TDHCA believes that the future success of Public Housing Authorities (“PHAs”) will center on ingenuity in program design, maximizing resources, emphasis on resident participation towards economic self-sufficiency and partnerships with other organizations to address the needs of this population. While TDHCA does not have any direct or indirect jurisdiction over the management or operations of public housing authorities, it does maintain a relationship with these service providers and PHAs can access HOME funding for single family activities including Homebuyer Assistance, Homeowner Rehabilitation Assistance and Tenant-Based Rental Assistance. TDHCA’s Section 8 Program also works collaboratively with other housing authorities in placing Project Access clients; through those collaborations vouchers are “recycled” and more tenants assisted.

Policy-Driven Action: TDHCA works with executives from several large PHAs in the state as well as the Texas Housing Association and the Texas chapter of the National Association of Housing and Redevelopment Officials, which represent the public housing authorities of Texas. TDHCA has worked to promote programs that will repair substandard housing and develop additional affordable housing units. In addition, the HTC Program may also be used for the redevelopment of public housing authority property.

VETERANS

In a 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 stable housing.

The 84 (R) Texas Legislative Session's SB 1580 requires TDHCA, in conjunction with the TICH and the Texas Veterans Commission (TVC) to conduct a study of veterans experiencing homelessness. The study is due to the Texas Legislature no later than December 1, 2016. Detail of the study of veteran homelessness is provided in the Policy Initiative section of this Action Plan.

Policy-Driven Action: From 2008 to 2011, the HTF's Texas Veterans Rental Assistance Program provided rental and utility subsidies to low-income veterans through the Veterans Rental Assistance Program. In 2011, the 82nd Texas Legislature transferred funds for this program to the Texas Veteran's Commission, and the 84th Texas Legislature continued the transfer for the 2016-2017 biennium. 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 will begin administering those vouchers in January 2016.

Additionally, ESG subrecipients may choose to prioritize certain subpopulations to serve with their ESG state funds. In the 2016 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; and youth aging out of foster care.

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

In Texas, youth in the foster care system in Texas age out at 18 years old. In state fiscal year 2015, 1,180 youth were emancipated from foster care with some youth receiving assistance and services to help them transition to adulthood and some youth that do not want continued contact with the child welfare system once they leave foster care. According to a recent study of youth who had been in foster care, when asked where they went when they aged out, the most common responses included 26% went to family home, 15% to foster family home, 5% to a relative's home, 15% to the home of a friend or boyfriend/girlfriend, 4% to a shelter, 5% to transitional living or my own place, 11% to a shelter and 8% went to the streets (Narendorf et al., 2015).

The 84 (R) Texas Legislative Session's House Bill (HB) 679 requires TDHCA, in conjunction with the TICH, to conduct a study of youth experiencing homelessness. The study is due to the Texas Legislature no later than December 1, 2016. Youth Count Texas! is an initiative headed by TDHCA for a statewide count and needs assessment of Texas 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 2016 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; and youth aging out of foster care.

Policy-Driven Action: The Department of Family and Protective Services (“DFPS”) has several programs that help meet the needs of youth aging out of foster care. The Preparation for Adult Living (“PAL”) Program offers a transitional living allowance that helps youth transition from foster care to adulthood and provides payments for limited services, such as rent or room deposits. The PAL aftercare room and board assistance is available for qualified young adults up to age 21 to help prevent or alleviate homelessness by providing rent and/or utility deposits, rent and/or utility payments and other essential services.

DFPS’ Extended Foster Care program allows a young adult to stay in foster care up to his/her 21st or 22nd birthday in order to finish high school, attend college or other education institutions, obtain employment, or use the program if the young adult has a qualifying medical condition. The Education and Training Voucher Program allows qualifying youth to participate in post-secondary and vocational or technical programs. A component of Extended Foster Care includes a Supervised Independent Living program which allows young adults to live independently under a minimally supervised living arrangement. Living arrangements may include apartments, non-college and college dorm settings, shared housing, and host homes. The Education and Training Voucher Program provides up to \$5,000 per year to qualifying youth and young adults to attend post-secondary and vocational or technical programs in an effort to achieve their educational goals. This program can be used for residential housing and utilities, room and board, books, tuition fees and other services related to success in the educational program.

Finally, DFPS has Youth Transition Centers located in every region in Texas and individually operated and supported by their local communities, partnerships with the Texas Workforce Commission and Department of Family Protective Services. These Centers provide youth and young adults a comprehensive array of services such as transitional living services, case management, employment assistance and housing assistance.

Under the HTC Program, full-time students are eligible to live in a tax credit property if he or she was previously under the care and placement of a foster care agency (assuming they are income eligible).

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.

- **Participation in TDHCA Programs:** Discusses efforts to ensure that individuals of low income and community-based institutions participate in TDHCA programs
- **Citizen Participation in Program Planning:** Discusses affirmative efforts to ensure the involvement of individuals of low income and community-based institutions in the allocation of funds and the planning process

PARTICIPATION IN TDHCA PROGRAMS

Texas is an economically, regionally and demographically diverse state. The Department recognizes this by establishing criteria to distribute funds based on the priorities established in TDHCA’s governing statute. It is incumbent upon TDHCA to increase the public’s awareness of available funding opportunities so that its funds will reach those in need across the State.

Below are the approaches taken by TDHCA to achieve this end:

- Throughout the year, TDHCA staff reaches out to interested parties at informational workshops, roundtables, conferences and property opening events across the State to share information about TDHCA programs. Organizations interested in becoming affordable housing providers are actively encouraged to contact TDHCA for further technical assistance in accessing TDHCA programs.
- The Department’s External Affairs Division is responsible for media relations, including press releases, interviews and tracking the frequency in which the Department is mentioned by name or program in news reports and articles; conference exhibit presence and information sharing; outreach and education regarding the Department’s programs; and speaking engagement coordination. The External Affairs Division oversees and maintains the Department’s social media presence, specifically Twitter, Facebook, Flickr and YouTube, through which those interested in affordable housing and community services programs in Texas can keep up to date with the Department.
- The 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 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.
- The TDHCA website, through its provision of timely information to consumers, is one of the Department’s most successful marketing tools as well as a key resource for affordable housing and community services programs and fair housing information and resources.

- TDHCA also operates voluntary membership email lists, where subscribed individuals and entities can receive email updates on TDHCA information, announcements and trainings. TDHCA maintains a Fair Housing email list to encourage public participation from community-based, legal aid, fair housing enforcement, housing advocacy, and other external groups and individuals who are looking for opportunities to engage on Fair Housing topics but are not members of other stakeholder groups receiving email list announcements.
- TDHCA uses online forums to encourage topical discussions and gather feedback on proposed policies, rules, plans, reports, or other activities. Forums have been used for the Housing Tax Credit Program's Qualified Allocation Plan, the Regional Allocation Formula, a legislatively required Study on Ending Homelessness among Veterans, and a variety of program-related rules.
- TDHCA is involved with a wide variety of committees and workgroups, which serve as valuable resources to gather input from people working at the local level. These groups share information on affordable housing needs and available resources and help TDHCA to prioritize these needs. A list of these groups can be found in the Policy Initiatives section of the Action Plan.
- TDHCA releases its annual ESG survey, which seeks direct program input from each Continuum of Care ("CoC") and their member agencies regarding allocation of ESG funds, development of performance standards and outcomes evaluation, and development of funding, policies, and procedures for the administration of HMIS. Comments are collected electronically. Comments received that impact the upcoming allocation of funds are considered in planning the competitive award cycle and in future planning.
- 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.

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 40-day public comment period for the SLIHP was held from Monday, December 19, 2016, through Friday, January 27, 2017, at 5:00 pm. Austin Local Time. A public hearing was held on Wednesday, January 4, 2017, at Stephen F. Austin Building, 1700 Congress Ave, Room 170 in Austin.

PUBLIC COMMENTS

The Department received eight comments from one source: Texas Council for Developmental Disabilities ("TCDD").

Comment 1: TCDD commented on the unmet need for individuals with incomes below 30% AMFI, stating that failure to provide housing that is affordable to people with disabilities or to the elderly who rely on federal assistance, such as Social Security Disability Income ("SSDI") or Supplement Security Income ("SSI"), results in reduced safety or displacement from the community. Further, TCDD commented that only the Section 811 Program, Homeless Housing and Services Program ("HHSP"), and Emergency Solutions Grant Program ("ESG") target individuals with income below 30% AMFI and urged TDHCA to go beyond simply recognizing the unmet need and provide more for this income group.

Department Response: TDHCA's mission 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 Section 811 Program, HHSP, and ESG, TDHCA administers the Community Services Block Grant ("CSBG") Program, which serves Texans who fall within the very low and extremely low income categories. Through CSBG, TDHCA served more than 559,000 very low and extremely low-income Texans in SFY 2016.

Also, in the 2017 Qualified Allocation Plan (“QAP”), which governs the awarding and allocation of 2017 9% Housing Tax Credit (“HTC”) program funds, scoring priority may be awarded to applicants who elect to restrict an additional 10% of the proposed low income units for households at or below 30% of Area Median Gross Income (“AMGI”). These units must be in addition to units required under any other provision of the 2017 QAP. While the pre-application period for the 2017 HTC has concluded, the Department is actively seeking stakeholder input on the development of the 2018 QAP.

Finally, through the Department’s Multifamily Direct Loan Program, funding is provided to nonprofit and for-profit entities for the new construction or rehabilitation of affordable multifamily rental developments. Funding is typically provided in the form of low interest rate, repayable construction-to-permanent loans. Multifamily developments funded through the Department’s Multifamily Direct Loan Program must comply with long-term rent and income restrictions and may be layered with additional funding sources (such as HTC). In the Multifamily Direct Loan Program NOFA, released in December 2016, funds under a Supportive Housing/Soft Repayment Set-Aside are intended to increase the number of 30% rent-restricted units and occupy them with households with an annual income of 30% Area Median Income (“AMI”) or less who are not currently receiving any type of rental assistance. The Department will accept applications under this NOFA beginning on January 9, 2017. Based on the availability of funds, applications may be accepted until 5:00pm Austin Local Time on August 31, 2017. The NOFA can be found at <http://www.tdhca.state.tx.us/multifamily/nofas-rules.htm>.

Through the administration of all programs, TDHCA will continue to solicit public and stakeholder comment to enhance program administration and further meet its mission. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 2: TCDD referenced TDHCA’s Strategic Plan Goal 1 and recommended that TDHCA develop a target income category of between 0 and 110% of the level of SSI with the rationale that setting a threshold below “extremely low” will allow TDHCA to monitor, strategize, and allocate resources for a group that TCDD states has the greatest needs for housing and related supports.

Department Response: TDHCA’s Strategic Plan Goals reflect program performance based upon measures developed with the State’s Legislative Budget Board (“LBB”) and the Governor’s Office of Budget, Planning and Policy (“GOBPP”). The goals are also based upon Riders attached to the Department’s appropriations bill. The Department believes that the goals and objectives for the various TDHCA programs, to the extent feasible, should be consistent with its mandated performance requirements. Revising income eligibility and setting a target income category of between 0 and 110% of the level of SSI for programs addressed by Goal 1 (titled “TDHCA WILL INCREASE AND PRESERVE THE AVAILABILITY OF SAFE, DECENT AND AFFORDABLE HOUSING FOR VERY LOW-, LOW-, AND MODERATE-INCOME PERSONS AND FAMILIES”) is driven by recommending changes to specific program rules. Opportunities for public comment on program rules are made available at <http://www.tdhca.state.tx.us/public-comment.htm>. Further, the Department has developed a plan for ongoing stakeholder involvement in development of the 2018 Qualified Allocation Plan (“QAP”), which governs the HTC program. The 2018 QAP Project Plan is available at <http://www.tdhca.state.tx.us/multifamily/docs/18-QAP-ProjectPlan.pdf>. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 3: Referring to Goal 3 of TDHCA’s Strategic Plan goals, TCDD recommended that people with the greatest need, those classified as “extremely low-income,” should be included in efforts to

improve living conditions through rental and energy assistance, citing the burden of fluctuating utility and rental payments for those living on fixed incomes.

Department Response: In the utility assistance programs that Goal 3 and the TDCC comment refer to, program rules require the Department to establish priority criteria to serve persons in Households 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. Highest energy costs or needs in relation to income shall be the highest rated item in sliding scale priority determinations (10 TAC Chapter 5 Subchapter D, §5.407 and Chapter 6 Subchapter C, §6.307). No changes have been made to the 2017 SLIHP in response to this comment.

Comment 4: TCDD referenced Rider 5 (a) of the General Appropriations Act and recommended that TDHCA increase the effective allocation of resources to reflect greater participation of extremely low-income individuals and households in mainstream community-integrated housing.

Department Response: As required by Rider 5 (a) of the General Appropriations Act, TDHCA adopts an annual goal to apply no less than \$30,000,000 of the funds available from the Housing Trust Fund, HOME Program, Section 8 Program, and Housing Tax-Credit Program's total housing funds toward housing assistance for individuals and families earning less than 30 percent of the AMFI. TDHCA regularly exceeds this goal. The FY 2016 Rider 5 Report states that \$62,341,219 in funding assisted households at or below 30% AMFI, meeting the goal by 207.80%. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 5: TCDD recommended that TDHCA include a goal to dedicate expected National Housing Trust Fund (NHTF) funding to establish community-integrated accessible housing for individuals who must rely on fixed Social Security income or incomes no greater than 20% AMFI.

Department Response: TDHCA has been named as the State Designated Entity that will administer NHTF funds in Texas. TDHCA has developed an NHTF Allocation Plan with public input in accordance with the HUD approved Citizen Participation Plan. The plan has already been submitted to the federal oversight agency and is awaiting approval; once the plan is approved, goals for activities will be included in Strategic Plan Goal 1. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 6: TCDD recommended that TDHCA include a goal to encourage and provide incentives to employ people with disabilities in building, rehabilitating, or managing TDHCA housing programs in support of the Texas Employment First Policy for working age Texans adopted by the 83rd Texas Legislature.

Department Response: While the Employment-First policy, as required by Senate Bill 1226 (83rd Texas Legislature, Regular Session), only applies to the Health and Human Services Commission, the Texas Education Agency, and the Texas Workforce Commission, the Department recognizes the importance of competitive employment opportunities that provide a living wage for individuals with disabilities. Similar to the Department response to Comment 2, adding incentives to TDHCA programs to employ people with disabilities is driven by recommending changes to specific program rules. Opportunities for public comment on program rules are made available at <http://www.tdhca.state.tx.us/public-comment.htm>. Again, the Department has developed a plan for ongoing stakeholder involvement in development of the 2018 QAP, which governs the HTC program. The 2018 QAP Project Plan is available at <http://www.tdhca.state.tx.us/multifamily/docs/18-QAP->

ProjectPlan.pdf. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 7: TCDD recommended that TDHCA include a goal to promote innovative approaches that advance community integrated housing opportunities for individuals with disabilities, and which may be funded through matching general revenue and federal funding.

Department Response: Similar to the Department response to Comment 2 and Comment 6, adding a goal to TDHCA programs to promote innovative approaches that advance community integrated housing opportunities for individuals with disabilities funded through matching general revenue and federal funding would be driven by changes to program rules. Opportunities for public comment on program rules are made available at <http://www.tdhca.state.tx.us/public-comment.htm>. Again, the Department has developed a plan for ongoing stakeholder involvement in development of the 2018 QAP, which governs the HTC program. The 2018 QAP Project Plan is available at <http://www.tdhca.state.tx.us/multifamily/docs/18-QAP-ProjectPlan.pdf>. No changes have been made to the 2017 SLIHP in response to this comment.

Comment 8: TCDD noted the success of the coordination between TDHCA and the Department of State Health Services (“DSHS”) allowing Local Mental Health Authorities (“LMHAs”) to become HOME Tenant-Based Rental Assistance (“TBRA”) administrators. This initiative supported individuals in subsidized housing while waiting for permanent housing subsidies. Based on that success, TCDD recommends that TDHCA direct funding to serve other persons with disabilities who have extremely low incomes who are at risk for homelessness.

Department Response: TDHCA has programs that serve special populations, including Persons with Disabilities who have extremely low incomes, and the Department already provides TBRA to persons with disabilities through subrecipients that are separate and in addition to the coordinated effort with LMHAs and DSHS. As funding opportunities become available, TDHCA will work with other partner agencies as appropriate. No changes have been made to the 2017 SLIHP in response to this comment.

SECTION 6: 2016-2017 COLONIA ACTION PLAN

In accordance with Tex. Gov't Code §2306.0721 (C)(12), this Section provides a biennial action plan for colonias, which discusses housing and community development needs in the colonias, describes TDHCA's policy goals, summarizes the strategies and programs designed to meet these goals and describes projected outcomes to support the improvement of living conditions of colonia residents. This section provides an update to the SFY 2016-2017 Colonia Action Plan that was provided in the 2016 SLIHP.

POLICY GOALS

In 1996, TDHCA established the Office of Colonia Initiatives ("OCI") to administer and coordinate efforts to enhance living conditions in colonias along the 150 mile Texas-Mexico border region. OCI's fundamental goal is to improve the living conditions of colonia residents and to educate the public regarding the services offered by the Department.

The OCI was created to do the following:

- Expand housing opportunities to colonia residents living along the Texas-Mexico border.
- Increase knowledge and awareness of programs and services available through the Department and its border field offices.
- Implement initiatives that promote improving the quality of life of colonia residents and border communities.
- Train and increase the capacity of organizations that serve the targeted colonia population.
- Develop cooperative working relationships between other state, federal and local organizations to leverage resources and exchange information.
- Promote comprehensive planning of communities along the Texas-Mexico border to meet current and future community needs.

OVERVIEW

The US-Mexico border region has hundreds of rural subdivisions called colonias, which are characterized by high levels of poverty and substandard living conditions. Several different definitions of colonias are used by various funding sources and agencies due to differing mandates. Generally, these definitions include the concepts that colonias are rural and lacking services such as public water and wastewater systems, paved streets, drainage and safe and sanitary housing. Colonias are mostly unincorporated communities located along the US-Mexico border in the states of California, Arizona, New Mexico and Texas, with the vast majority located in Texas.

Many colonias have been in existence for over 50 years. A few colonia developments began as small communities of farm laborers employed by a single rancher or farmer while others originated as town sites established by land speculators as early as the 1900s. A majority of the colonias, however, emerged in the 1950s as developers discovered a large market of aspiring homebuyers who could not afford to purchase in cities or who did not have access to conventional financing mechanisms.

POPULATION AND POVERTY

Based on a 2014 assessment by the Texas Office of the Secretary of State's Colonia Initiatives Program, an estimated 500,000 people live in 2,294 colonias in Texas. Of the estimated 500,000 colonia residents, more than 40% live below the poverty line, and an additional 20% live at or just above the poverty line. Further, 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 (Federal Reserve Bank of Dallas, 2015).

The American Community Survey's 2010-2014 data placed the median household income for Texas at \$52,576, while the median household income for the Texas-Mexico border counties range between \$21,176 and \$51,760, depending on county. Counties are designated as Border or Non-Border according to Article 4 of the La Paz Agreement of 1983, which defines a county as a Border county if that county is within 100 Kilometers of the U.S.-Mexico border. There are 32 counties in Texas designated as Border counties by this definition. Brooks County, near the border, posted the lowest median household income at \$21,176. In the larger border-region cities El Paso, McAllen, Brownsville, Corpus Christi and Laredo, the average median values of owner-occupied housing units in 2012 was \$105,720. El Paso had the highest median home values at \$116,600 (U.S. Census Bureau, 2015).

The particular need for affordable housing in the border region can be largely attributed to the poverty level of the rapidly growing population. Counties along the Texas-Mexico border shoulder some of the highest poverty rates in the state. According to 2010-2014 American Community Survey, the poverty level in the State of Texas stood at 17.7%, while the four counties with the greatest number of colonias (Zapata, Willacy, Starr, and Hudspeth) had poverty rates of 36.5%, 38.0%, 38.9%, and 43.2% 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 Investment Partnerships (“HOME”) Program, prohibit the use of affordable housing funds to acquire land unless the affordable structure is built within 12 months. Second, lenders are typically reluctant to lend funds for owner-builder construction because these borrowers may have little or no collateral. Third, owner-builders may not be sufficiently skilled and may end up building substandard housing without appropriate supervision or guidance.

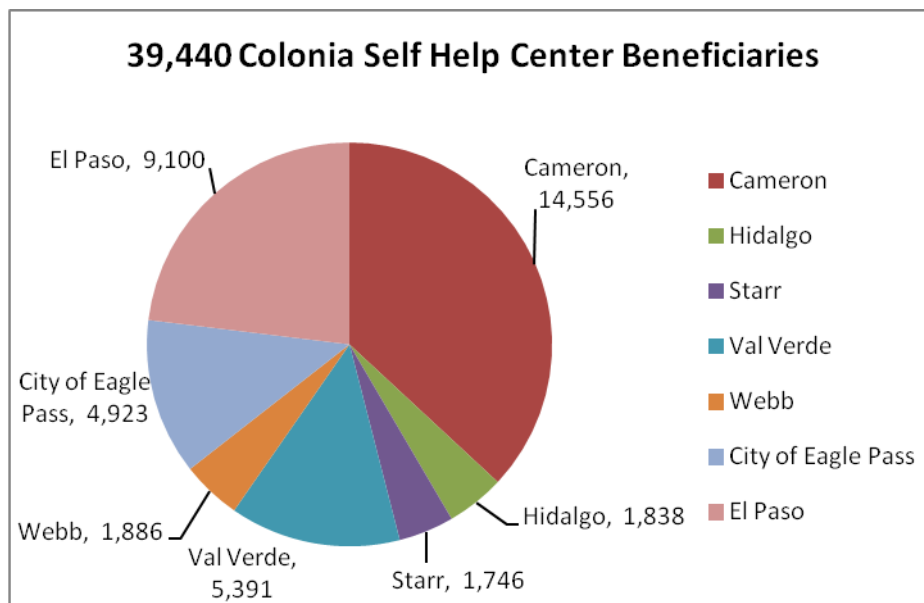
COLONIA BENEFICIARIES

The following table displays the total number of beneficiaries served by the Department’s Colonia Self Help Center (“SHC”) Program for open contracts as of September 2016. This data is reported by the participating counties and provides a representation of the acute need for housing-related assistance. Each administrator conducts its own needs assessment, holds a public hearing and establishes the activities to be performed under the Colonia SHC program. Approximately 88% beneficiaries are of low- to moderate-income. OCI anticipates that the number of beneficiaries served in the table below will be similar for the 2018-2019 biennium.

Colonia Self-Help Centers Open Contracts as of September 2016

County	Total Population Beneficiaries	Total Low- to Moderate-Income Beneficiaries
Cameron/Willacy	14,556	11,994
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	39,440	34,783

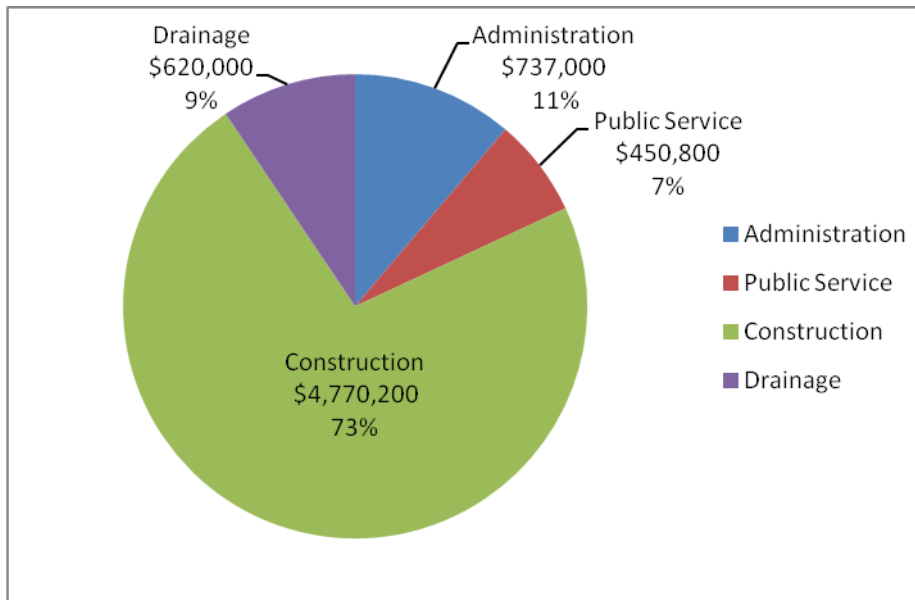
* The SHC previously operated by Maverick County, is now operated county-wide, but by the City of Eagle Pass.



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 during the 2018-2019 biennium.

Colonia Self-Help Center Activities for Open Contracts as of September 2016

Activity	Funding	Percentage
Administration	\$ 737,000	11%
Construction	\$ 4,770,200	73%
Public Service	\$ 450,800	7%
Drainage	\$ 620,000	9%
Total	\$ 6,578,000	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 2016 and 2017.

FY 2016 and 2017 Office of Colonia Initiatives Funding

Programs	Funding for FY 2016	Estimated Funding for FY 2017
Texas Bootstrap Loan Program	\$3,000,000	\$3,000,000
Colonia Self-Help Centers	\$1,524,494	\$1,500,000
TOTAL	\$4,524,494	\$4,500,000

COLONIA SELF-HELP CENTERS

Texas Government Code §§2306.581 - §2306.591 directed TDHCA to establish Colonia SHCs in Cameron/Willacy, Hidalgo, Starr, Webb and El Paso counties. This program also allows the Department to establish a Colonia SHC in a county designated as an economically distressed area, such as in Maverick and Val Verde counties. Each county identifies five colonias to receive concentrated assistance. The operation of the Colonia SHCs may be managed by a local nonprofit organization, local community action agency, 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 39,440 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 county to implement the Colonia SHC Program. The Department provides administrative and general oversight to ensure programmatic and contract compliance. Colonia SHCs are encouraged to seek funding from other sources to help them achieve their goals and performance measures.

BORDER FIELD OFFICES

OCI operates two Border Field Offices along the Texas-Mexico border, located in Pharr 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 4,000 targeted technical assistance to individual colonia residents through the Colonia SHC Program as a whole.

TEXAS BOOTSTRAP LOAN PROGRAM

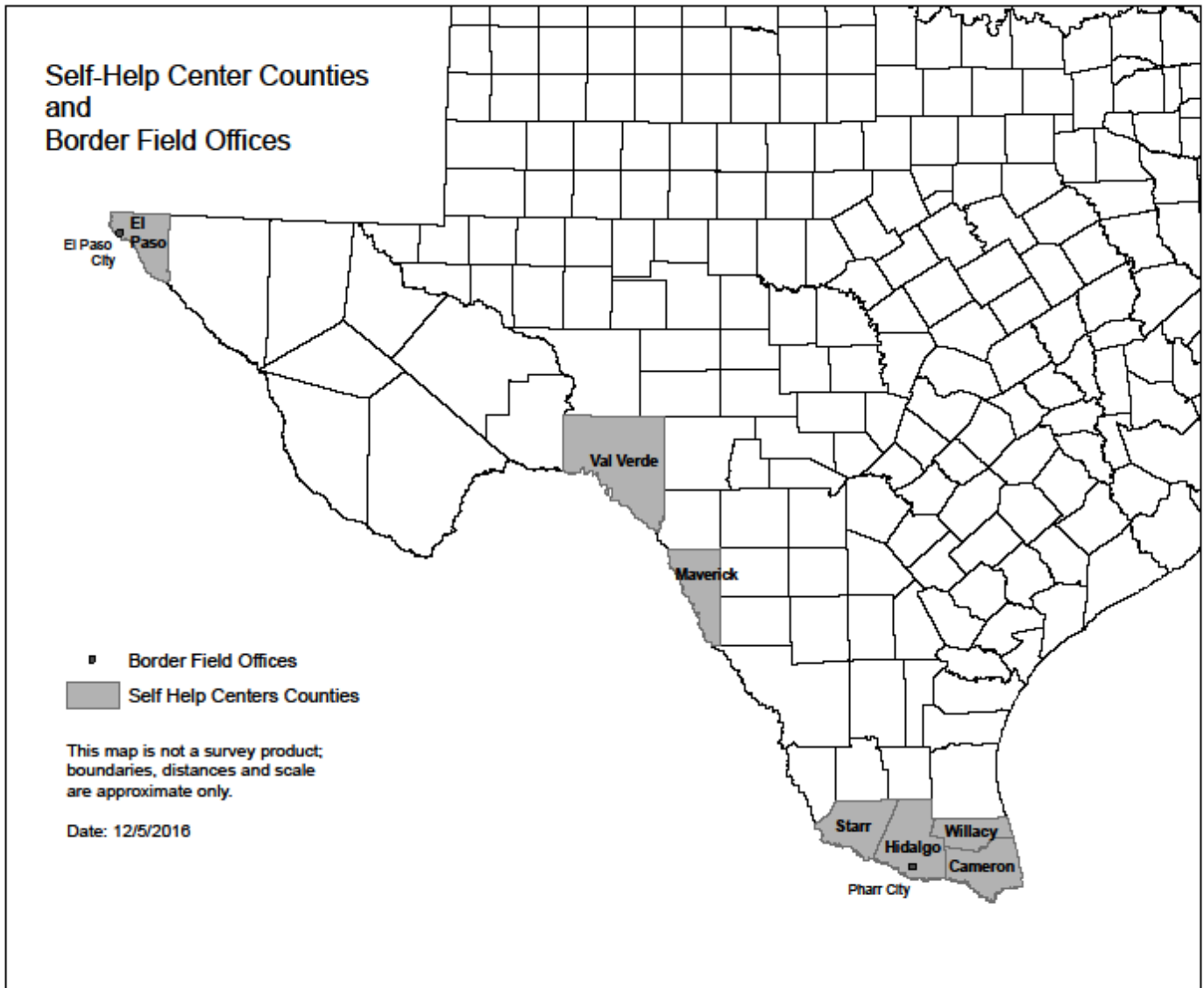
The Texas Bootstrap Loan Program is a statewide program that provides funds to Colonia SHCs or certified non-profit organizations to enable eligible households (also known as “Owner-Builders”) to purchase real estate and construct or renovate a home using sweat equity. Under Section 2306.753(d) of the Texas Government Code, the Program sets aside two-thirds of the funds for Owner-Builders whose property is in a census tract that has a median household income not greater than 75% of the current median state household income.

The Texas Bootstrap Program promotes and enhances homeownership for very low-income Texans. The Owner-Builders must provide a minimum of 65% of the labor required to build or rehabilitate the home. Section 2306.753(a) of the Tex. Gov’t Code directs TDHCA to prioritize assisting Owner-Builders with an annual income of less than \$17,500. The maximum Bootstrap Program loan amount per Owner-Builder is \$45,000. The total amount of loans made with TDHCA and any other funding source may not exceed a combined \$90,000 per household.

In 2008, the OCI implemented a “reservation system” in an effort to disseminate Texas Bootstrap funds across a broader network of “Nonprofit Owner-Builder Housing Provider” NOHPs and increase the Department’s efficiency in assisting households. The reservation system is a ready-to-proceed model that allows program funds to be expended rapidly on a first-come, first-served basis. After being certified to participate in the program and executing a Loan Origination Agreement with the Department, the NOHPs submit individual loan applications to the Department on behalf of their Owner-Builder applicants, known as a “reservation” of Bootstrap funds. The reservations expire after 12 months in which time the NOHPs must train the Owner-Builders in self-help construction techniques, complete construction and close the Owner-Builders’ mortgage loans.

The Texas Bootstrap Program allocation is \$3,000,000 for FY 2017 and anticipated to be \$3,000,000 for FY 2018. 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
2017 ANNUAL ACTION PLAN**

**Approved February 9, 2017 by
Texas State Affordable Housing Corporation
Board of Directors**

**TEXAS STATE AFFORDABLE HOUSING CORPORATION
2017 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 2016 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, low, very low and 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 \$1.4 billion in single family bonding authority and approximately \$724 million in multifamily private activity bonds.² 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

² 2016 Corporation bond activity includes a conversion of mortgage revenue bonds to Mortgage Credit Certificates in the amount of \$200,000,000 and the issuance of \$43,613,142 in Multifamily Private Activity Bonds.

Using its mission as guidance, the Corporation has developed the following additional programs and services to help meet the need for affordable housing in Texas:

- Home Buyer and Financial Education
- Texas Housing Impact Fund
- Affordable Communities of Texas
- Asset Oversight and Compliance
- Single Family Rental Program
- Multifamily Rental Program
- Texas Foundations Fund

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 2017, 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.³

Areas with high rates of homeownership often see lower crime rates, better educational outcomes for children and significant rates of community involvement. Research conducted by the National Association of REALTORS® showed that stable housing created by homeownership led to improved children's educational achievement, improved civic participation, improved health care outcomes for families, and reduced neighborhood crime rates.⁴

The Corporation currently administers the Homes for Texas Heroes and Home Sweet Texas Home Loan Programs, which provide home loans, tax credits and down payment assistance to low and moderate-income families and individuals.

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
- Juvenile Corrections Officers
- County Jailers
- Veterans
- Public Security Officers

³ Source: Michael Corbett, "Freshen Up on the 7 Financial Benefits of Homeownership," trulia.com, April 23, 2015

⁴ Source: National Association of REALTORS® Research Division, "Social Benefits of Homeownership and Stable Housing," April 2012

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 and is available statewide to those with incomes at or below 80 percent of the area median family income.

The Need for Down Payment Assistance

The U.S. homeownership rate fell to 62.9% in the second quarter of 2016, the lowest percentage in more than 50 years.⁵ The homeownership rate in Texas stands at 61.9% as of March 2016.⁶ Rising home prices, the continued effects of the housing crisis of the mid-2000s⁷, and an overall low inventory of available homes⁸ have played a role in this drop in homeownership.

But even for individuals ready to buy a home, one of the major barriers is that prospective buyers simply cannot accumulate sufficient funds for a down payment.⁹ This problem has worsened due to higher rents, particularly in metro areas, that make saving for a down payment that much more difficult.¹⁰

This is why the Corporation's assistance and home buyer programs are so important. The Corporation's home loan programs with down payment assistance allow eligible borrowers to apply for a 30-year fixed-rate mortgage loan and receive down payment assistance 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.

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 or those who have not owned a home in three years. Under the MCC Program, the qualified home buyer can take a portion

⁵ Source: Prashant Gopal, "Homeownership Rate in the U.S. Drops to Lowest Since 1965," Bloomberg, July 28, 2016

⁶ Source: <https://fred.stlouisfed.org/series/TXHOWN>, accessed November 28, 2016

⁷ Source: Wei Li and Laurie Goodman, "Comparing Credit Profiles of American Renters and Owners," Urban Institute, March 2016

⁸ Source: Ralph McLaughlin, "House Arrest: How Low Inventory is Slowing Home Buying," trulia.com, March 21, 2016

⁹ Source: Chrystal Caruthers, "Free Money: \$12,000 for Down Payment, Why Aren't You Applying?," realtor.com, February 4, 2015

¹⁰ Source: Zillow, "Down Payments Posing a Roadblock for Renters to Become Owners," November 11, 2015

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 have a fixed-rate mortgage loan.

Since their inception, demand for these programs has increased. In 2016, the Corporation's home buyer programs helped 1,791 families purchase a home. To date, the Corporation has served more than 13,500 households under our home loan, down payment and MCC programs.

Home Buyer Education Requirement

In addition to meeting the program eligibility requirements, every home buyer who utilizes one of the Corporation's homeownership programs must complete a home buyer education course prior to closing on the purchase of their home. The Corporation requires that home buyers take a course offered by a provider listed on our Texas Financial Toolbox web site.¹¹ The providers listed on the Toolbox are generally nonprofit organizations or government entities who are either HUD-approved or certified to provide home buyer education.

Home buyer education empowers individuals with the ability 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.¹²

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.¹³

2017 Implementation Plan

The Corporation will continue to stay abreast of any changes or developments in the mortgage industry. The Corporation has continued this practice since its inception and will continue it in 2017. In late 2014, the Corporation started providing several different options to home buyers, offering varying rates, down payment assistance levels, and loan types.

These options allow home buyers, in discussions with their lenders and REALTORS®, to choose the best option for them.

¹¹ Texas Financial Toolbox, <http://www.texasfinancialtoolbox.com/home-buyer-education>

¹² Source: Evidence Matters, "The Evidence on Homeownership Education and Counseling," Spring 2016

¹³ 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.

The Corporation will look to expand the reach of home buyer programs by continuing to build upon relationships with current lenders and recruiting additional lenders to participate in our home buyer programs. In 2017, the Corporation will make a stronger push in marketing to REALTORS® and participating lenders. Some marketing initiatives were implemented in 2016, and the Corporation will continue to roll out new ones in 2017.

There is also a need to market our programs directly to potential home buyers. This is because despite the existence of hundreds of down payment programs that provide on average \$11,565 per buyer in assistance,¹⁴ upwards of 70 percent of home buyers don't know down payment assistance is available.¹⁵ The Corporation will expand efforts to overcome this by educating home buyers directly about our programs.

HOME BUYER EDUCATION AND FINANCIAL EDUCATION

In 2010, the Corporation created an online educational tool called the Texas Mortgage Calculator (www.tsahc.org/Mortgage_Calculator) that provides step-by-step information on the home buying process, information about mortgage rates, and a glossary of mortgage terms in both English and Spanish. This tool also estimates the potential interest rate a home buyer can expect in the market based on their FICO score.

In 2012, the Corporation expanded its online resources by creating 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.

Texas Statewide Homebuyer Education Program

For several years the Corporation has promoted and supported successful homeownership by administering the Texas Statewide Homebuyer Education Program (TSHEP) in partnership with the Texas Department of Community Affairs (TDHCA).

TSHEP provides continuing education to housing counselors who provide home buyer education to consumers, most of them low-income.

TDHCA is statutorily responsible for implementing TSHEP. However, since 2012, the Corporation, through a formal agreement with TDHCA, has administered and implemented TSHEP. The Corporation, in consultation with housing counselors and TDHCA, selects the

¹⁴ Source: Chrystal Caruthers, "Free Money: \$12,000 for Down Payment, Why Aren't You Applying?," realtor.com, February 4, 2015

¹⁵ Source: Trey Garrison, "Fully 70% of homebuyers don't know about down payment assistance," Housing Wire, December 4, 2014

training courses for the year and manages the logistics surrounding the training sessions. In addition, as a nonprofit organization, the Corporation has successfully raised significant funds from financial institutions to expand the program.

In 2016, 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 teach housing counselors the principles and applications of comprehensive pre-purchase home buyer education, one-on-one counseling, and credit counseling for maximum results.

To date, 980 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. Under TSAHC's administration of TSHEP, the Corporation has trained 423 counselors representing 176 organizations in 59 municipalities across Texas.

2017 Implementation Plan

In 2017, the Corporation, with support from private and public funders, will conduct two weeklong training sessions and one three-day training session as part of TSHEP. The Corporation will offer courses covering the following topics: home buyer education methods, post-purchase education methods, and delivering effective financial education to today's consumers.

TEXAS HOUSING IMPACT FUND

The Texas Housing Impact Fund 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. This program was formerly known as the Direct Lending program, but the Corporation changed the name in September 2015 to better communicate the purpose and goals of the loan products to both developers and potential investors.

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. Applications for new loans are accepted on an ongoing basis, provided there is funding available for the program. This funding model has enabled the Corporation to steadily grow the fund over time.

To date, the Texas Housing Impact Fund has financed the construction or rehabilitation of 157 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 Survey of Consumer Finances, the average net worth of a homeowner ranged between 31 and 46 times that of the average net worth of a renter in a time span covering 1998 to 2013.¹⁶

However, due to rising housing prices, many Texans cannot afford to purchase a home in their communities. For example, according to research conducted by the Real Estate Center at Texas A&M University, as of October 2016 the median home price was more than \$200,000 in most Texas cities, including Austin (with a median home price of \$270,000), Dallas (\$232,000) and Houston (\$218,000).¹⁷ 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 their dreams of homeownership.

In 2016, affordable housing developers used financing from the Texas Housing Impact Fund to rehabilitate or construct eight homes and 21 condominiums for low- to moderate-income home buyers.¹⁸

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 ensure these households can 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 2016.

¹⁶ Source: "Net Worth of Homeowners vs. Renters," National Association of REALTORS® Economists' Outlook, September 8, 2014,

¹⁷ Source: <https://www.recenter.tamu.edu/data/housing-activity/>, accessed November 14, 2016.

¹⁸ The eight homes are located in Beaumont, Dallas, Lufkin and Mabank, 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	2016¹⁹	2003 - 2015
Loans Made	4	23
# of Single Family Homes Built or Under Construction	59	128
# of Rental Units	0	1901
Amount of Loan Funds Approved	\$3,950,000	\$11,746,287

2017 Implementation Plan

The Corporation plans 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 provide loans to small and rural markets for multifamily developments, helping local developers meet the housing needs of their communities.

The Corporation will continue to seek additional investments from financial institutions to meet the growing need for housing in targeted markets. The Corporation will also continue to market the Texas Housing Impact Fund to attract developers and investors across the state and explore how to better document the impact of the program.

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 nonprofit and government agencies 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.

The ACT Program, has worked with 28 nonprofit housing developers across Texas, acquired a total of 563 properties and has redeveloped 222²⁰ of these properties to date. The ACT Program has a current portfolio of 309 lots and homes, and it comprises four unique initiatives distinguished by source of funding and targeted use of properties:

- **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

¹⁹ 2016 loans include a new loan in the amount of \$2,000,000 to Chestnut Neighborhood Revitalization Corporation and a new loan in the amount of \$1,000,000 to Community Development Corporation of Brownsville. Lines of credit for single family construction and rehab were provided to Builders of Hope CDC for \$500,000 and to Legacy CDC for \$450,000.

²⁰ This includes properties that may still be under contract for sale and have a sale date but have not finalized a closing.

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 qualified low-income households.
- Veterans Housing Initiative – This initiative, nearing completion, 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. To date, the Corporation has sold 66 homes through the program, and only one home remains for sale in the portfolio. The Corporation donated 10 homes to veterans who are disabled and have low incomes as part of the program.
- Texas NSP – This category includes those homes and properties that were acquired using Texas’s federal Neighborhood Stabilization Program (NSP) funding.

Affordable Communities of Texas Portfolio

Program/Initiative	Acquisitions 2016	Sales 2016	Current Portfolio	Current Asset Value
ACT Land Banking	10	23	82	\$1,505,060
ACT Land Trust	0	0	1	\$650,000
Veterans Initiative	0	4	1	\$33,210
Texas NSP	0	18	225	\$3,304,501
Totals	10	45	309	\$5,492,771

2017 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. The Corporation will also look for 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 2016 those housing needs were:

- At-Risk Preservation and Rehabilitation
- Rural and Smaller Urban Markets
- Senior and Service Enriched Housing Developments
- Disaster Relief Housing

In 2016, the Corporation issued or reserved \$43,613,142 in multifamily PABs to construct or rehabilitate 470 affordable rental units in Dallas and Glenn Heights.²¹

2017 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 56 units that are affordable for every 100 households that earn 50% or less of the average median income.²²

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 2017, the Corporation will also focus on how to preserve and create affordable housing specifically in rural areas. The Corporation recently began collaborating with the Federal Reserve Bank of Dallas and other interested parties on how to preserve aging rural multifamily developments. Specifically, Texas is home to 696²³ rural multifamily developments that were financed by the U.S. Department of Agriculture under its Section 515 loan program.

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.

²¹ The developments in these municipalities are Peoples El Shaddai Village Apartments (Dallas, TX), St. James Manor Apartments (Dallas, TX) and Palladium Glenn Heights Apartments (Glenn Heights, TX).

²² Source: "The Affordable Housing Gap Analysis 2016," The National Low Income Housing Coalition, 2016, http://nlihc.org/sites/default/files/Gap-Report_print.pdf

²³ Source: <https://catalog.data.gov/dataset/usda-rural-development-multifamily-section-515-rural-rental-housing-and-section-514-farm-l-f2dd4>

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.

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 2016, the Corporation performed asset oversight reviews for 27 properties, totaling 3,960 units, and the Corporation performed compliance reviews for 26 properties, totaling 3,748 units. These properties are either bond-financed or financed through the Texas Housing Impact Fund. The Corporation also leverages its asset oversight and compliance experience by providing training to other housing organizations and public agencies as needed.

2017 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 2017, the Corporation anticipates adding three 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. In addition, the Corporation plans to expand and target the marketing of its asset oversight and compliance capabilities to other housing organizations and public agencies.

SINGLE FAMILY RENTAL PROGRAM

The cost of living in Austin continued to rise in 2016. According to the Real Estate Center at Texas A&M University, the average home price in Austin is \$270,000.²⁴ The average monthly rent is \$1,281.²⁵ 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, transportation 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. To date, the Corporation has purchased and leased 15 single family homes²⁶, one condominium and one duplex to qualifying, low-income families in the Austin MSA.

MULTIFAMILY RENTAL PROGRAM

In July 2015, the Corporation expanded its rental program by acquiring the Rollins Martin apartment complex in East Austin. East Austin is a rapidly developing community that is quickly becoming unaffordable to its long-time lower-income residents. Recent research revealed two worrisome 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 2014.²⁷

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

²⁴ Source: See Footnote 15.

²⁵ Source: <https://www.rentjungle.com/average-rent-in-austin-rent-trends/>

²⁶ This includes two homes purchased by the Corporation in 2016 as part of the single family rental program.

²⁷ Source: Michael Theis, "Charting Austin's unaffordable rental landscape," Austin Business Journal, November 4, 2016

units, all of which are affordable for families earning at or below 60% of the area median family income.

The Corporation has 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 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.

2017 Implementation Plan

The Corporation plans to purchase three additional homes for the Single Family Rental program before August 31, 2017. 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 repainting the interiors and providing new flooring, countertops and cabinets for each unit. These renovations have been completed in three of the 15 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.

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. In the past, the Corporation has also partnered with rural government entities to fund these programs, but as of 2016, only nonprofit organizations are eligible for partnership opportunities. Selected partners receive grants to support their housing services. Since 2008, the Corporation has awarded more than \$2.6 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 Texas Foundations Fund

For the 2016 funding round, the Corporation made the following 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 selected for a two-year term through an online application process. The application is now simpler than it has been in the past for grant funding. 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. To qualify as a matching grant for the 2016 funding cycle, public or private funds must have been received by nonprofit partners on or after January 1, 2016 and must be earmarked specifically for the program for which a matching grant from the Texas Foundations Fund was requested.

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.

A final change involved the Corporation's Advisory Council. This body – selected by the Board of Directors – has vetted and approved grant applications in the past. Now that the application process is much simpler, there is no longer a need for Advisory Council

oversight of the application process. With that in mind, the Corporation's Board of Directors voted to suspend the Advisory Council.

With these changes implemented, the Corporation selected 25 nonprofit partners for the 2016 funding cycle. Each partner is eligible to receive \$12,100 in matching grant funding for a total of \$302,500 in grant awards.

2017 Implementation Plan

The Corporation does not anticipate making any significant changes to the Texas Foundations Fund for the 2017 award cycle. As with every year, the Corporation will 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.

SECTION 8: APPENDIX

APPENDIX A: LEGISLATIVE REQUIREMENTS FOR THE STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT

SEC. 2306.072. ANNUAL LOW INCOME HOUSING REPORT

- (a) Not later than March 18 of each year, the director shall prepare and submit to the board an annual report of the department's housing activities for the preceding year.
- (b) Not later than the 30th day after the date the board receives and approves the report, the board shall submit the report to the governor, lieutenant governor, speaker of the house of representatives, and member of any legislative oversight committee.
- (c) The report must include:
 - (1) a complete operating and financial statement of the department;
 - (2) a comprehensive statement of the activities of the department during the preceding year to address the needs identified in the state low income housing plan prepared as required by Section 2306.0721, including:
 - (A) a statistical and narrative analysis of the department's performance in addressing the housing needs of individuals and families of low and very low income;
 - (B) the ethnic and racial composition of individuals and families applying for and receiving assistance from each housing-related program operated by the department;
 - (C) the department's progress in meeting the goals established in the previous housing plan, including goals established with respect to the populations described by Section 2306.0721(c)(1); and
 - (D) recommendations on how to improve the coordination of department services to the populations described by Section 2306.0721(c)(1);
 - (3) an explanation of the efforts made by the department to ensure the participation of individuals of low income and their community-based institutions in department programs that affect them;
 - (4) a statement of the evidence that the department has made an affirmative effort to ensure the involvement of individuals of low income and their community-based institutions in the allocation of funds and the planning process;
 - (5) a statistical analysis, delineated according to each ethnic and racial group served by the department, that indicates the progress made by the department in implementing the state low income housing plan in each of the uniform state service regions;
 - (6) an analysis, based on information provided by the fair housing sponsor reports required under Section 2306.0724 and other available data, of fair housing opportunities in each housing development that receives financial assistance from the department that includes the following information for each housing development that contains 20 or more living units:
 - (A) the street address and municipality or county in which the property is located;
 - (B) the telephone number of the property management or leasing agent
 - (C) the total number of units, reported by bedroom size;
 - (D) the total number of units, reported by bedroom size, designed for individuals who are physically challenged or who have special needs and the number of these individuals served annually;
 - (E) the rent for each type of rental unit, reported by bedroom size;
 - (F) the race or ethnic makeup of each project;
 - (G) the number of units occupied by individuals receiving government-supported housing assistance and the type of assistance received;

- (H) the number of units occupied by individuals and families of extremely low income, very low income, low income, moderate income, and other levels of income;
 - (I) a statement as to whether the department has been notified of a violation of the fair housing law that has been filed with the United States Department of Housing and Urban Development, the Commission on Human Rights, or the United States Department of Justice; and
 - (J) a statement as to whether the development has any instances of material noncompliance with bond indentures or deed restrictions discovered through the normal monitoring activities and procedures that include meeting occupancy requirement or rent restrictions imposed by deed restriction or financing agreements;
- (7) a report on the geographic distribution of low income housing tax credits, the amount of unused low income housing tax credits, and the amount of low income housing tax credits received from the federal pool of unused funds from other states; and
- (8) a statistical analysis, based on information provided by the fair housing sponsor reports required by Section 2306.0724 and other available data, of average rents reported by county.

SEC. 2306.0721. LOW INCOME HOUSING PLAN

- (a) Not later than March 18 of each year, the director shall prepare and submit to the board an integrated state low income housing plan for the next year.
- (b) Not later than the 30th day after the date the board receives and approves the plan, the board shall submit the plan to the governor, lieutenant governor, and the speaker of the house of representatives.
- (c) The plan must include:
 - (1) an estimate and analysis of the size and the different housing needs of the following populations in each uniform state service region:
 - (A) individuals and families of moderate, low, very low, and extremely low income;
 - (B) individuals with special needs;
 - (C) homeless individuals;
 - (D) veterans;
 - (E) farmworkers;
 - (F) youth who are aging out of foster care; and
 - (G) elderly individuals;
 - (2) a proposal to use all available housing resources to address the housing needs of the populations described by Subdivision (1) by establishing funding levels for all housing-related programs;
 - (3) an estimate of the number of federally assisted housing units available for individuals and families of low and very low income and individuals with special needs in each uniform state service region;
 - (4) a description of state programs that govern the use of all available housing resources;
 - (5) a resource allocation plan that targets all available housing resources to individuals and families of low and very low income and individuals with special needs in each uniform state service region;
 - (6) a description of the department's efforts to monitor and analyze the unused or underused federal resources of other state agencies for housing-related services and services for homeless individuals and the department's recommendations to ensure the full use by the state of all available federal resources for those services in each uniform state service region;

- (7) strategies to provide housing for individuals and families with special needs in each uniform state service region;
 - (8) a description of the department's efforts to encourage in each uniform state service region the construction of housing units that incorporate energy efficient construction and appliances;
 - (9) an estimate and analysis of the housing supply in each uniform state service region
 - (10) an inventory of all publicly and, where possible, privately funded housing resources, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies;
 - (11) strategies for meeting rural housing needs;
 - (12) a biennial action plan for colonias that:
 - (A) addresses current policy goals for colonia programs, strategies to meet the policy goals, and the projected outcomes with respect to the policy goals;
 - (B) includes information on the demand for contract-for-deed conversions, services from self-help centers, consumer education, and other colonia resident services in counties some part of which is within 150 miles of the international border of the state;
 - (13) a summary of public comments received at a hearing under this chapter or from another source that concern the demand for colonia resident services described by Subdivision (12); and
 - (13-a) information regarding foreclosures of residential property in this state, including the number and geographic location of those foreclosures.
- (d) The priorities and policies in another plan adopted by the department must be consistent to the extent practical with the priorities and policies established in the state low income housing plan.
 - (e) To the extent consistent with federal law, the preparation and publication of the state low income housing plan shall be consistent with the filing and publication deadlines required of the department for the consolidated plan.
 - (f) The director may subdivide the uniform state serve regions as necessary for purposes of the state low income housing plan.
 - (g) The department shall include the plan developed by the Texas State Affordable Housing Corporation under Section 2306.566 in the department's resource allocation plan under Subsection (c)(5).

SEC. 2306.0722. PREPARATION OF PLAN AND REPORT

- (a) Before preparing the annual low income housing report under Section 2306.072 and the state low income housing plan under Section 2306.0721, the department shall meet with regional planning commissions created under Chapter 391, Local Government Code, representatives of groups with an interest in low income housing, nonprofit housing organizations, managers, owners, and developers of affordable housing, local government officials, residents of low income housing, and members of the Colonia Resident Advisory Committee. The department shall obtain the comments and suggestions of the representatives, officials, residents, and members about the prioritization and allocation of the department's resources in regard to housing.
- (b) In preparing the annual report under Section 2306.072 and the state low income housing plan under Section 2306.0721, the director shall:
 - (1) coordinate local, state, and federal housing resources, including tax exempt housing bond financing and low income housing tax credits;
 - (2) set priorities for the available housing resources to help the neediest individuals;
 - (3) evaluate the success of publicly supported housing programs
 - (4) survey and identify the unmet housing needs of individuals the department is required to assist;

- (5) ensure that housing programs benefit an individual without regard to the individual's race, ethnicity, sex, or national origin;
- (6) develop housing opportunities for individuals and families of low and very low income and individuals with special housing needs;
- (7) develop housing programs through an open, fair, and public process;
- (8) set priorities for assistance in a manner that is appropriate and consistent with the housing needs of the populations described by Section 2306.0721(c)(1);
- (9) incorporate recommendations that are consistent with the consolidated plan submitted annually by the state to the United States Department of Housing and Urban Development;
- (10) identify the organizations and individuals consulted by the department in preparing the annual report and state low income housing plan and summarize and incorporate comments and suggestions provided under Subsection (a) as the board determines to be appropriate;
- (11) develop a plan to respond to changes in federal funding and programs for the provision of affordable housing;
- (12) use the following standardized categories to describe the income of program applicants and beneficiaries:
 - i. 0 to 30 percent of area median income adjusted for family size;
 - ii. more than 30 to 60 percent of area median income adjusted for family size;
 - iii. more than 60 to 80 percent of area median income adjusted for family size;
 - iv. more than 80 to 115 percent of area median income adjusted for family size;or
 - v. more than 115 percent of area median income adjusted for family size;
- (13) use the most recent census data combined with existing data from local housing and community service providers in the state, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies; and
- (14) provide the needs assessment information compiled for report and plan to the Texas State Affordable Housing Corporation.

SEC. 2306.0723. PUBLIC PARTICIPATION REQUIREMENTS

The Department shall consider the annual low income housing report to be a rule and in developing the report shall follow rulemaking procedures required by Chapter 2001.

SEC. 2306.0724. FAIR HOUSING SPONSOR REPORT

- (a) The Department shall require the owner of each housing development that receives financial assistance from the Department and that contains 20 or more living units to submit an annual fair housing sponsor report. The report must include the relevant information necessary for the analysis required by Section 2306.072(c)(6). In compiling the information for the report, the owner of each housing development shall use data current as of January 1 of the reporting year.
- (b) The Department shall adopt rules regarding the procedure for filing the report.
- (c) The Department shall maintain the reports in electronic and hard-copy formats readily available to the public at no cost.
- (d) A housing sponsor who fails to file a report in a timely manner is subject to the following sanctions, as determined by the Department:
 - (1) denial of a request for additional funding; or
 - (2) an administrative penalty in an amount not to exceed \$1,000, assessed in the manner provided for an administrative penalty under Section 2306.6023.

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APPENDIX C: ACRONYMS

ACRONYM	NAME
ADA	Americans with Disabilities Act
AI	Analysis of Impediments to Fair Housing Choice
AMFI	Area Median Family Income
ARRA	American Recovery and Reinvestment Act
ASTM	American Society for Testing and Materials
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
ESGP	Emergency Shelter Grant Program
FFY	Federal Fiscal Year (10/1-9/30)
FHA	Fair Housing Act
GLO	General Land Office
HERA	Housing and Economic Recovery Act
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
HCV	Housing Choice Voucher
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
VAWA	Violence Against Women Act
WAP	Weatherization Assistance Program



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2a

TDHCA Outreach Activities, January - February 2017

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
Training/Workshop	Emergency Solutions Grants Learning Opportunity on Rapid Re-housing Case Management	1/4/17	Statewide	HOME & Homeless Programs
Public Hearing	Public Hearing: 2017 State Low Income Housing Plan and Annual Report	1/4/17	Austin	Housing Resource Center
Training/Workshop	Emergency Solutions Grants Basics	1/9/17	Statewide	HOME & Homeless Programs
Training/Workshop	2017/2018 Emergency Solutions Grants Application Orientation	1/10/17	Statewide	HOME & Homeless Programs
Public Hearing	Public Hearing: Robert E. Lee Apartments	1/10/17	San Antonio	Multifamily
HHSCC Listing	Housing and Health Services Coordination Council	1/11/17	Austin	Housing Resource Center
Training/Workshop	Community Services Block Grant Workgroup #1 for Subrecipients	1/19/17	Austin	Community Affairs
Training/Workshop	Weatherization Assistance Program Workgroup #1 for Subrecipients	1/19/17	Austin	Community Affairs
Request for Applications	Close: Request for Applications to Administer the CSBG in Dallas County	1/20/17	Statewide	Community Affairs
Roundtable	2018 QAP Planning Project	1/25/17	Austin	Multifamily
Public Comment	Public Comment Closes: Draft 2017 State of Texas Low Income Housing Plan and Annual Report	1/27/17	Statewide	Housing Resource Center
TICH Listing	Texas Interagency Council for the Homeless ("TICH") Quarterly Meeting	1/31/17	Austin	Housing Resource Center
Training/Workshop	Emergency Solutions Grants Learning Opportunity on Match (Webinar)	2/1/17	N/A	HOME & Homeless Programs
Training/Workshop	Community Services Block Grant ("CSBG") Workgroup #2 for Subrecipients	2/8/17	Austin	Community Affairs
Roundtable	2017 HOME Roundtable for Single Family Administrators - Rockwall	2/8/17	Rockwall	HOME & Homeless Programs
Training/Workshop	Weatherization Assistance Program ("WAP") Workgroup #2 for Subrecipients	2/10/17	Austin	Community Affairs
Roundtable	2017 HOME Roundtable for Single Family Administrators - Harlingen	2/16/17	Harlingen	HOME & Homeless Programs
Roundtable	2017 HOME Roundtable for Single Family Administrators - Austin	2/22/17	Austin	HOME & Homeless Programs
Roundtable	2017 HOME Roundtable for Single Family Administrators - Houston	2/28/17	Houston	HOME & Homeless Programs

See also TDHCA's online Calendar at www.tdhca.state.tx.us/events/index.jsp

Internet Postings of Note

A list of new or noteworthy postings to the Department's website.

Asset Management

- Added Post Award Deadlines Overview table www.tdhca.state.tx.us/asset-management/index.htm
- Annual Owners Financial Certification (“AOFC”) Information www.tdhca.state.tx.us/asset-management/financial-reporting.htm
- Updates to Post Award Activity Fees www.tdhca.state.tx.us/asset-management/activity-fees.htm
- Updates to www.tdhca.state.tx.us/asset-management/pca-manual.htm
 - HOME, NSP, and NHTF Rent Approval Requests section added
 - Construction Status Reports section added
 - Ownership Transfer form packet update
 - 10% Test spreadsheet update
 - LURA Origination - 4% and 9% HTC Awards Only section revisions
 - Cost Certification - 4% and 9% HTC Awards Only section revisions
 - Amendment section content revisions - Deadlines for submissions of Material LURA Amendments and deadlines for public hearings.
 - Right of First Refusal (“ROFR”) – 9% HTC Awards Only section updated, added ROFR Forms – January 2017 spreadsheet
 - Updated Post Award Activities Manual - January 2017
 - Updated HOME Rent Approval Tool - January 2017
 - Updated Cost Certification Application - January 2017

Bond Finance

- Updates to www.tdhca.state.tx.us/bond-finance/index.htm
 - Updated various indenture documents
 - Updated Bond Disclosure document
 - Updated Bond Outstanding Summary

Community Affairs (“CA”)

Comprehensive Energy Assistance Program (“CEAP”)

- Updates to: www.tdhca.state.tx.us/community-affairs/ceap/guidance.htm
 - Added LIHEAP Performance Measures Module Validations
 - Updated Program Year 2017 Income Limits for CEAP

Community Services Block Grant Program (“CSBG”)

- Updates to www.tdhca.state.tx.us/community-affairs/csbg/guidance.htm
 - Updated Program Year 2017 Income Limits for CSBG
 - Added SmartForms Instructions

Weatherization Assistance Program (“WAP”)

- Updates to www.tdhca.state.tx.us/community-affairs/wap/guidance.htm
 - Updated various Weatherization Assistance Program (“WAP”) calculators and forms
 - Updated Program Year 2017 Income Limits for WAP
- Updates to www.tdhca.state.tx.us/community-affairs/wap/wap-best-practices.htm
 - Replaced and removed various Weatherization Assistance forms
 - Updated Whole House Assessments document
- Added Submit WAP Production Schedule/Tool to WAP Subrecipient Menu/navigation bar on WAP pages www.tdhca.state.tx.us/community-affairs/wap/index.htm

Compliance

- Added December 2, 2016 webinar recording and presentation www.tdhca.state.tx.us/pmcomp/presentations.htm
- Added 1st Thursday Income Eligibility Training - February 2, 2017 www.tdhca.state.tx.us/pmcomp/COMPtrain.html
- Added 2016 AOCR and AOFC Resources to www.tdhca.state.tx.us/pmcomp/reports.htm

Finance

- Updates to www.tdhca.state.tx.us/finan.htm
 - Updated Utility Allowance Questionnaire for Application

HOME and Homeless Programs

Emergency Solutions Grants (“ESG”)

- Updates to www.tdhca.state.tx.us/home-division/esgp/video-library.htm
 - ESG Basics – January 9, 2017
 - ESG Basics and Eligible Uses Handout, with webinar question responses (PDF)
 - ESG Application Orientation – January 10, 2017
 - ESG Application Orientation Handout, with webinar question responses (PDF)
- Added Application Guide and Intent to Apply documents to www.tdhca.state.tx.us/home-division/esgp/applications.htm

Homeless Housing and Services Program (“HHSP”)

- Updates to www.tdhca.state.tx.us/home-division/hhsp/guidance.htm
 - 2017 HHSP Performance Worksheet
 - 2017 HHSP Expenditure Worksheet

HOME Program

- Various updated HOME single family programs application documents www.tdhca.state.tx.us/home-division/applications.htm
- Updates to www.tdhca.state.tx.us/home-division/home-training.htm
 - HUD OIG Implementing the Five Key Internal Controls
 - HUD OIG Key Components of Financial Management
- Eligibility Calculator for HRA with Refinance: www.tdhca.state.tx.us/home-division/forms/home_forms_hra.htm
- Removed links to Application for Federal Assistance (SF-424), HUD 935.2A Affirmative Fair Housing Marketing Plan (Multifamily Housing), and HUD 935.2B Affirmative Fair Housing Marketing Plan (Single Family Housing) from under the “General Administration” header at www.tdhca.state.tx.us/home-division/forms/home_forms_sfd.htm

Housing Resource Center (“HRC”)

- 2016 TICH Annual Report DRAFT www.tdhca.state.tx.us/tich/meetings.htm
- Draft November 17, 2016 Meeting Minutes

Housing Trust Fund (“HTF”)

- Added Application to Become and Administrator www.tdhca.state.tx.us/htf/cfdc-assistance-grants.htm
- New Amy Young Barrier Removal Program forms www.tdhca.state.tx.us/htf/forms/index.htm

Migrant Labor Housing

- Added list of licensed migrant labor housing facilities www.tdhca.state.tx.us/migrant-housing/index.htm

Multifamily

Multifamily Bonds

- Approved Multifamily Bond Trustees www.tdhca.state.tx.us/multifamily/bond/index.htm

Four Percent Housing Tax Credits

- Updates to www.tdhca.state.tx.us/multifamily/housing-tax-credits-4pct/index.htm
 - 2017 9% Individually Imaged Bond Applications
 - Archived 2016 and 2016 items
 - HTC Consultants List

Nine Percent Housing Tax Credits

- Added 2018 QAP Project forum <https://tdhca.websitetoolbox.com/>
- Updates to www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm
 - 2017 9% Individually Imaged Pre-Applications
 - 2017 9% Housing Tax Credit Pre-Application Log
 - HTC Consultants List

Miscellaneous Multifamily Items

- Added January 10, 2017 Robert E. Lee Apartments public hearing to www.tdhca.state.tx.us/multifamily/communities.htm
- Updates to www.tdhca.state.tx.us/multifamily/faqs.htm
 - List of Frequently Asked Questions ("FAQ") posed by Applicants for Housing Tax Credits
 - 2017 Competitive HTC Application Cycle FAQ
 - 2017 Section 811 Project Rental Assistance Program FAQ
- Updates to www.tdhca.state.tx.us/multifamily/apply-for-funds.htm
 - 2017 Direct Loan Unit Calculator Tool
 - 2017 Multifamily Programs Procedures Manual
 - 2017 Multifamily Bond Pre-Application
 - 2017 MF Bond Pre-App Submission Procedures Manual
 - 2017 Multifamily Uniform Application
 - 2017 4% Housing Tax Credit and Tax Exempt Bond Process Manual
 - 2017 9% Housing Tax Credit Pre-Application Log
 - 2017 HTC Award Limits-Estimated Regional Allocation
 - Webinar covering the JotForm pre-application
 - 2015 items moved to 2015 Archive section
 - 2016 items moved to 2016 Archive section
- Updates to www.tdhca.state.tx.us/multifamily/nofas-rules.htm
 - 2018 Qualified Allocation Plan ("QAP") Project Plan
 - 2015 items moved to 2015 Archive section
- Updates to www.tdhca.state.tx.us/multifamily/home/index.htm
 - Added new "Current Application Cycle Information" section
 - Added 2017-1 Multifamily Direct Loan NOFA Application Log

Notices of Funding Availability ("NOFA")

- Updates to www.tdhca.state.tx.us/nofa.htm
 - Contract for Deed Conversion Assistance Grants ("CFDC") Assistance Grants
 - 2017/2018 Emergency Solutions Grants NOFA
 - 2017 HOME Single Family NOFAs

Purchasing

- Added Report of All No-Bid Contracts www.tdhca.state.tx.us/purchasing/vendors.htm

Real Estate Analysis (“REA”)

- Updates to www.tdhca.state.tx.us/rea/index.htm
 - Replaced 2016 REA rules with 2017 REA rules
 - Replaced Property Condition Assessment Cost Schedule Supplement with updated version
- Updated List of Approved Market Analysts www.tdhca.state.tx.us/rea/approved-analysts.htm

Section 811

- Application updates to www.tdhca.state.tx.us/section-811-pra/referral-agents.htm
- Updated Section 811 Program Guidelines for Existing Developments item www.tdhca.state.tx.us/section-811-pra/request-for-applications.htm

Single Family

- Updates to www.tdhca.state.tx.us/single-family/TDHCA-Energy-Efficiency-Rules.htm
 - Added Energy Efficiency Rule forms
 - Added new resource links

Other

- Added to the “What’s New” drop menu Request for Qualifications (“RFQ”): Tax Credit Outside Counsel Search www.tdhca.state.tx.us
- Updated Public Information Request (“PIR”) submission procedures www.tdhca.state.tx.us/policies/public-information.htm

Frequently Used Acronyms

AMFI	Area Median Family Income	HUD	US Department of Housing and Urban Development
AYBR	Amy Young Barrier Removal Program	LURA	Land Use Restriction Agreement
CEAP	Comprehensive Energy Assistance Program	MF	Multifamily
CFD	Contract for Deed Program	MFTH	My First Texas Home Program
CFDC	Contract for Deed Conversion Assistance Grants	MRB	Mortgage Revenue Bond Program
CHDO	Community Housing Development Organization	NHTF	National Housing Trust Fund
CSBG	Community Services Block Grant Program	NOFA	Notice of Funding Availability
ESG	Emergency Solutions Grants Program	NSP	Neighborhood Stabilization Program
FAQ	Frequently Asked Questions	OIG	Office of Inspector General
HBA	Homebuyer Assistance Program	QAP	Qualified Allocation Plan
HHSP	Homeless Housing and Services Program	REA	Real Estate Analysis
HRA	Homeowner Rehabilitation Assistance Program	RFA	Request for Applications
HTC	Housing Tax Credit	RFP	Request for Proposals
HTF	Housing Trust Fund	RFQ	Request for Qualifications
		ROFR	Right of First Refusal
		SLIHP	State of Texas Low Income Housing Plan
		TBRA	Tenant Based Rental Assistance Program
		TXMCC	Texas Mortgage Credit Certificate
		WAP	Weatherization Assistance Program

2b

BOARD REPORT ITEM
FINANCIAL ADMINISTRATION DIVISION
FEBRUARY 28, 2017

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 \$773,046,441, of which \$744,486,929 is not subject to the PFIA. This report addresses the remaining \$28,559,512 (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, 2016), with an effective interest rate of 0.24%. 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 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 \$4,295,706 (See Page 1) for a total of \$28,559,512. The decrease is described below by fund groups.

General Fund: The General Fund decreased by \$3,582,145. This consists primarily of \$590,359 received in bond administration fees, and \$190,353 in MCC Fees, offset by disbursements including \$1,792,806 transferred to fund the operating budget, and \$114,152 in bond related expenses. In addition, \$2,500,000 was transferred to the Taxable Mortgage Program to fund the escrow account held by Federal Home Loan Bank.

Housing Trust Fund: The Housing Trust Fund increased by \$1,408,718. This consists primarily of \$641,894 received in loan repayments and \$2,605,325 from the General Revenue Appropriation, offset by disbursements including \$1,965,283 for loans, grants and escrow payments.

Compliance: Compliance funds decreased by \$3,081,807. This consists primarily of \$928,270 received in compliance fees, offset by disbursements of \$3,986,296 transferred to fund the operating budget.

Housing Initiative: Housing Initiative funds increased by \$959,529. This consists primarily of \$3,338,578 received in fees related to tax credit activities, offset by disbursements of \$2,480,008 transferred to fund the operating budget.

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

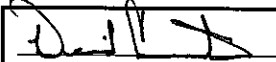

**PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING NOVEMBER 30, 2016**

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, 2016

Investment Type	FAIR VALUE	CARRYING	CHANGE IN CARRYING VALUE				CARRYING	FAIR VALUE	CHANGE	ACCRUED
	(MARKET) @ 8/31/16	VALUE @ 8/31/16	ACCRETION / PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	VALUE @ 11/30/16	(MARKET) @ 11/30/16	IN FAIR VALUE (MARKET)	INT REC'VL @ 11/30/16
NON-INDENTURE RELATED:										
General Fund Mortgage-Backed Securities	375,507.38	363,853.06				(147,092.44)	216,760.62	218,456.88	(9,958.06)	1,176.79
General Fund Repurchase Agreements	8,205,410.05	8,205,410.05	1,997,212.48	(5,432,265.34)			4,770,357.19	4,770,357.19	0.00	31.81
Housing Trust Fund Repurchase Agreements	5,657,308.09	5,657,308.09	3,667,367.38	(2,258,649.76)			7,066,025.71	7,066,025.71	0.00	47.38
Compliance Repurchase Agreements	9,427,721.63	9,427,721.63		(3,081,807.26)			6,345,914.37	6,345,914.37	0.00	42.30
Housing Initiatives Repurchase Agreements	9,200,924.86	9,200,924.86	1,377,976.79	(418,447.98)			10,160,453.67	10,160,453.67	0.00	67.94
NON-INDENTURE RELATED TOTAL	32,866,872.01	32,855,217.69	7,042,556.65	(11,191,170.34)	(147,092.44)	0.00	28,559,511.56	28,561,207.82	(9,958.06)	1,366.22

(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 February 12, 2016
Monica Galuski completed 5.0 hrs. of training on the Texas Public Funds Investment Act on February 20, 2015

	Date 2/14/17
David Cervantes, Chief Financial Officer	
	Date 2/13/17
Monica Galuski, Director of Bond Finance	

Texas Department of Housing and Community Affairs
Non-Indenture Related Investment Summary
For Period Ending November 30, 2016

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 8/31/16	Beginning Market Value 8/31/16	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/16	Ending Market Value 11/30/16	Change In Market Value	Recognized Gain
Repo Agmt	General Fund	0.24	11/30/2016	12/1/2016	1,657,004.99	1,657,004.99		(1,656,968.32)			36.67	36.67		
Repo Agmt	General Fund	0.24	11/30/2016	12/1/2016	21,844.15	21,844.15	839.45				22,683.60	22,683.60		
Repo Agmt	General Fund	0.24	11/30/2016	12/1/2016	33,853.08	33,853.08	12.33				33,865.41	33,865.41		
Repo Agmt	General Fund	0.24	11/30/2016	12/1/2016	1,553,079.53	1,553,079.53		(1,219,881.19)			333,198.34	333,198.34		
Repo Agmt	General Fund	0.24	11/30/2016	12/1/2016	605,603.75	605,603.75	1,365,365.87				1,970,969.62	1,970,969.62		
Repo Agmt	General Fund	0.24	11/30/2016	12/1/2016	1,576,440.84	1,576,440.84		(825,496.56)			750,944.28	750,944.28		
Repo Agmt	General Fund	0.24	11/30/2016	12/1/2016	241,489.05	241,489.05		150.05			241,639.10	241,639.10		
Repo Agmt	General Fund	0.24	11/30/2016	12/1/2016	403,581.55	403,581.55	133,037.19				536,618.74	536,618.74		
GNMA	General Fund	7.50	8/31/1989	7/20/2018	34,518.49	35,269.96			(4,715.56)		29,802.93	30,101.26	(453.14)	
GNMA	General Fund	7.50	10/31/1989	9/20/2018	43,697.41	44,979.06			(8,226.47)		35,470.94	36,143.82	(608.77)	
GNMA	General Fund	7.50	1/1/1990	11/20/2018	17,858.23	18,020.20			(2,726.28)		15,131.95	15,277.67	(16.25)	
GNMA	General Fund	7.50	1/1/1990	12/20/2018	18,593.02	18,762.59			(2,177.80)		16,415.22	16,574.28	(10.51)	
GNMA	General Fund	7.50	2/27/1990	12/20/2018	4,029.15	4,041.76			(469.77)		3,559.38	3,570.66	(1.33)	
GNMA	General Fund	7.50	3/30/1990	1/20/2019	38,852.46	40,054.56			(6,227.22)		32,625.24	33,190.31	(637.03)	
GNMA	General Fund	7.50	4/26/1990	3/20/2019	18,450.29	18,614.13			(9,769.10)		8,681.19	8,758.71	(86.32)	
GNMA	General Fund	7.50	5/29/1990	4/20/2019	36,281.69	37,209.41			(5,240.96)		31,040.73	31,466.30	(502.15)	
GNMA	General Fund	2.65	1/29/2013	12/15/2042	44,396.67	45,601.15			(363.63)		44,033.04	43,373.87	(1,863.65)	
Repo Agmt	General Fund	0.24	11/30/2016	12/1/2016	107,175.65	112,954.56			(107,175.65)		382,593.84	382,593.84		
Repo Agmt	General Fund	0.24	11/30/2016	12/1/2016	2,112,513.11	2,112,513.11		(1,729,919.27)			497,807.59	497,807.59		
General Fund Total					8,569,263.11	8,580,917.43	1,997,212.48	(5,432,265.34)	(147,092.44)	0.00	4,987,117.81	4,988,814.07	(9,958.06)	0.00
Repo Agmt	Housing Trust Fund	0.24	11/30/2016	12/1/2016	79,927.45	79,927.45		(42,934.34)			36,993.11	36,993.11		
Repo Agmt	Housing Trust Fund	0.24	11/30/2016	12/1/2016	240.13	240.13	149.30				389.43	389.43		
Repo Agmt	Housing Trust Fund	0.24	11/30/2016	12/1/2016	233,103.32	233,103.32		(174,842.80)			58,260.52	58,260.52		
Repo Agmt	Bootstrap -GR	0.24	11/30/2016	12/1/2016	1,009.67	1,009.67					1,009.67	1,009.67		
Repo Agmt	Bootstrap -GR	0.24	11/30/2016	12/1/2016	112,011.17	112,011.17			(112,011.17)					
Repo Agmt	Bootstrap -GR	0.24	11/30/2016	12/1/2016	2,680,110.00	2,680,110.00			(1,212,766.71)		1,467,343.29	1,467,343.29		
Repo Agmt	Bootstrap -GR	0.24	11/30/2016	12/1/2016			1,468,380.30				1,468,380.30	1,468,380.30		
Repo Agmt	Contract for Deed Conversion	0.24	11/30/2016	12/1/2016	314,000.00	314,000.00		(3,500.00)			310,500.00	310,500.00		
Repo Agmt	Contract for Deed Conversion	0.24	11/30/2016	12/1/2016	250,000.00	250,000.00					250,000.00	250,000.00		
Repo Agmt	Contract for Deed Conversion	0.24	11/30/2016	12/1/2016			250,000.00				250,000.00	250,000.00		
Repo Agmt	General Revenue Appn	0.24	11/30/2016	12/1/2016	2,935.36	2,935.36	1,786.19				4,721.55	4,721.55		
Repo Agmt	General Revenue Appn	0.24	11/30/2016	12/1/2016	414,647.04	414,647.04		(207,622.88)			207,024.16	207,024.16		
Repo Agmt	General Revenue Appn	0.24	11/30/2016	12/1/2016	182,426.93	182,426.93	98,631.57				281,058.50	281,058.50		
Repo Agmt	General Revenue Appn	0.24	11/30/2016	12/1/2016	75,603.66	75,603.66	1,849.96				77,453.62	77,453.62		
Repo Agmt	General Revenue Appn	0.24	11/30/2016	12/1/2016	250,000.00	250,000.00					250,000.00	250,000.00		
Repo Agmt	Housing Trust Fund-GR				22,237.86	22,237.86		(22,237.86)						
Repo Agmt	Housing Trust Fund-GR	0.24	11/30/2016	12/1/2016	1,039,055.50	1,039,055.50		(482,734.00)			556,321.50	556,321.50		
Repo Agmt	Housing Trust Fund-GR	0.24	11/30/2016	12/1/2016			1,846,570.06				1,846,570.06	1,846,570.06		
Housing Trust Fund					5,657,308.09	5,657,308.09	3,667,367.38	(2,258,649.76)	0.00	0.00	7,066,025.71	7,066,025.71	0.00	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.24	11/30/2016	12/1/2016	7,311,423.37	7,311,423.37		(2,440,552.32)			4,870,871.05	4,870,871.05		
Repo Agmt	Multi Family	0.24	11/30/2016	12/1/2016	1,107,377.35	1,107,377.35		(255,125.85)			852,251.50	852,251.50		
Repo Agmt	Multi Family	0.24	11/30/2016	12/1/2016	1,008,920.91	1,008,920.91		(386,129.09)			622,791.82	622,791.82		
Compliance Total					9,427,721.63	9,427,721.63	0.00	(3,081,807.26)	0.00	0.00	6,345,914.37	6,345,914.37	0.00	0.00
Repo Agmt	Asset Management	0.24	11/30/2016	12/1/2016	1,002,870.42	1,002,870.42		(69,610.16)			933,260.26	933,260.26		
Repo Agmt	Low Income Tax Credit Prog.	0.24	11/30/2016	12/1/2016	1,273,640.00	1,273,640.00		(348,837.82)			924,802.18	924,802.18		
Repo Agmt	Low Income Tax Credit Prog.	0.24	11/30/2016	12/1/2016	6,530,820.26	6,530,820.26	1,359,074.70				7,889,894.96	7,889,894.96		
Repo Agmt	Low Income Tax Credit Prog.	0.24	11/30/2016	12/1/2016	393,594.18	393,594.18	18,902.09				412,496.27	412,496.27		
Housing Initiatives Total					9,200,924.86	9,200,924.86	1,377,976.79	(418,447.98)	0.00	0.00	10,160,453.67	10,160,453.67	0.00	0.00
Total Investment Summary					32,855,217.69	32,866,872.01	7,042,556.65	(11,191,170.34)	(147,092.44)	0.00	28,559,511.56	28,561,207.82	(9,958.06)	0.00

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BOARD REPORT ITEM
FINANCIAL ADMINISTRATION DIVISION
FEBRUARY 28, 2017

Report on an “unaudited subsequent event” related to the Basic Financial Statements and Revenue Bond Program for the Year Ended 8/31/2016

BACKGROUND

At the January 26, 2017, meeting of the Audit Committee of the Governing Board of the Texas Department of Housing and Community Affairs (the “Department”), Department staff informed Board Members of the need to disclose an “unaudited subsequent event.”

The Department’s Basic Financial Statements (Note 5 - Bonded Indebtedness) and Revenue Bond Program (Note 4 - Bonded Indebtedness) for Fiscal Year 2016 included language that reported ***a transaction that gave rise to a \$16,046,131 economic loss and a cash flow loss of \$24,735,357.*** These amounts were also disclosed in Schedule 1F and Schedule 8, respectively. The economic loss and cash flow loss were calculated using the interest for the variable rate debt at the time of the refunding of .20% compared to the cash flow of the new debt with a fixed rate of 3.2%.

Since the reporting date, management has concluded that in accordance with GASB requirements, the calculation should have been calculated using a rate reflective of the impact of the hedging instrument for the refunded debt. Taking into account the hedging impact, the synthetic fixed rate of the refunded debt would have been 3.457%, resulting in ***an economic gain of \$2,983,974 and a cash flow gain of \$1,532,946.***

The revised calculation only impacts the Note disclosures. This subsequent disclosure provides accurate information regarding the debt refunding transaction and has no impact on the Department’s Basic Financials Statements or Revenue Bond Program. It does not alter the report issued by the State Auditor’s Office. However, the audited financial statements combined with this stand alone unaudited subsequent event disclosure should be reviewed as a whole.

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BOARD REPORT ITEM
BOND FINANCE DIVISION
FEBRUARY 28, 2017

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.
- The detail for investment activity can be found online at TDHCA's Board Meeting Information Center website at <http://www.tdhca.state.tx.us/board/meetings.htm>.
- Overall, the portfolio carrying value decreased by approximately \$9 million (see page 3), resulting in an end of quarter balance of \$744,486,930. The decrease reflects the issuance of multifamily bonds net of loan repayments and bond redemptions.

The portfolio consists of those investments described in the attached Bond Trust Indenture Supplemental Management Report.

	<u>Beginning Quarter</u>	<u>Ending Quarter</u>
Mortgage Backed Securities (MBS)	75%	75%
Guaranteed Investment Contracts/Investment Agreements	4%	5%
Repurchase Agreements	8%	6%
Money Markets and Mutual Funds	11%	12%
Treasury Bills	2%	2%

The 1% increase in Guaranteed Investment Contracts/Investment Agreements is the result of the deposit of mortgage payments that are invested temporarily until the payment of bond principal and interest. The 2% decrease in Repurchase Agreements as attributed to the withdrawal of funds for debt service on January 1. The addition of Money Markets and Mutual Funds resulted from the issuance of multifamily bonds and the investment of proceeds.

Portfolio activity for the quarter:

- The maturities in MBS this quarter were \$26.8 million which represent loan repayments or payoffs. The table below shows the trend in MBS activity.

	1st Qtr FY 16	2nd Qtr FY 16	3rd Qtr FY16	4th Qtr FY16	1st Qtr FY 17	Total
Purchases	\$ 19,835,271	\$ 54,617,718	\$ -			\$ 74,452,989
Sales	\$ -	\$ -	\$ -			\$ -
Maturities	\$ 27,975,967	\$ 22,499,704	\$ 34,948,821	\$ 24,958,486	\$ 26,818,361	\$ 110,382,978
Transfers	\$ 9,009,061	\$ -				\$ 9,009,061

- 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 \$11 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, 2016, was 4.03%, up from 3.43% at the end of August 2016. 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 99.65% to 190.47% which would indicate the Department has sufficient assets to meet its obligations.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOND FINANCE DIVISION
BOND TRUST INDENTURES
Supplemental Management Report
Quarter Ending November 30, 2016


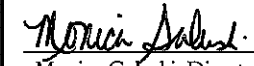
	FAIR VALUE (MARKET) @ 8/31/16	CARRYING VALUE @ 8/31/16	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 11/30/16	FAIR VALUE (MARKET) @ 11/30/16	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT REC'BL @ 11/30/16
			ACCRETION /MORTIZATION/ PURCHASES	SALES	MATURITIES	TRANSFERS				
INDENTURE RELATED:										
Single Family	418,871,669.34	388,872,271.72	10,009,254.48	(22,220,289.77)	(16,508,107.97)	1,709,716.07	361,862,844.53	387,702,391.59	(4,159,850.56)	1,766,204.35
RMRB	240,099,757.86	220,599,125.79	3,879,361.73	(1,201,885.58)	(8,764,134.37)		214,512,467.57	230,565,883.22	(3,447,216.42)	701,493.70
CHMRB	3,476,583.31	3,212,788.12	153,569.47	(1,361.31)	(120,716.12)		3,244,280.16	3,475,041.39	(33,033.96)	18,139.00
Taxable Mortgage Program	7,698,517.01	7,421,959.00	1,712,791.69	(1,520,272.33)	(1,374,040.76)	(1,709,716.07)	4,530,721.53	4,660,799.47	(146,480.07)	13,116.86
Multi Family	136,270,278.21	133,513,790.53	50,680,288.03	(23,806,100.95)	(51,361.86)		160,336,615.75	159,520,806.71	(3,572,296.72)	
TOTAL	806,416,805.73	753,619,935.16	66,435,265.40	(48,749,909.94)	(26,818,361.08)	0.00	744,486,929.54	785,924,922.38	(11,358,877.73)	2,498,953.91

(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.

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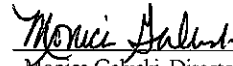
	Date 2/14/17
David Cervantes, Chief Financial Officer	
	Date 2/13/17
Monica Galuski, Director of Bond Finance	

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
 BOND FINANCE DIVISION
 BOND TRUST INDENTURES
 Supplemental Management Report
 Quarter Ending November 30, 2016

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 8/31/16	CARRYING VALUE @ 8/31/16	ACCRETION / PURCHASES	AMORT/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 11/30/16	FAIR VALUE (MARKET) @ 11/30/16	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
INDENTURE RELATED:										
Mortgage-Backed Securities	614,690,033.03	561,893,162.46	19,962,611.41		(26,818,361.08)		555,037,412.79	596,475,405.63	(11,358,877.73)	
Guaranteed Inv Contracts	31,170,241.69	31,170,241.69	6,339,890.39	(49,448.80)			37,460,683.28	37,460,683.28		
Investment Agreements	242,295.23	242,295.23	2,017,196.22				2,259,491.45	2,259,491.45		
Treasury-Backed Mutual Funds	79,416,053.85	79,416,053.85	31,551,015.75	(23,806,100.95)			87,160,968.65	87,160,968.65		
Repurchase Agreements	66,069,079.20	66,069,079.20	6,564,551.63	(24,894,360.19)			47,739,270.64	47,739,270.64		
Treasury Bill	14,829,102.73	14,829,102.73					14,829,102.73	14,829,102.73		
TOTAL	806,416,805.73	753,619,935.16	66,435,265.40	(48,749,909.94)	(26,818,361.08)	0.00	744,486,929.54	785,924,922.38	(11,358,877.73)	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 February 12, 2016
 Monica Galuski completed 5.0 hrs. of training on the Texas Public Funds Investment Act on February 20, 2015

	Date 2/14/17
David Cervantes, Chief Financial Officer	
	Date 2/13/17
Monica Galuski, Director of Bond Finance	

Texas Department of Housing and Community Affairs
Bond Finance Division
Executive Summary
As of November 30, 2016

	Single Family Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Collateralized Home Mortgage Revenue Bond Indenture Funds	Taxable Mortgage Program	Multi-Family Indenture Funds	Combined Totals
PARITY COMPARISON:						
PARITY ASSETS						
Cash	\$ 153,559	\$ 3,584		\$ 5,000,000	\$ 3,949,362	\$ 9,106,505
Investments ⁽¹⁾	\$ 55,669,456	\$ 27,667,081	\$ 353,747	\$ 2,229,607	\$ 157,877,076	\$ 243,796,967
Mortgage Backed Securities ⁽¹⁾	\$ 306,055,566	\$ 186,999,239	\$ 2,883,319	\$ 2,301,115	\$ -	\$ 498,239,238
Loans Receivable ⁽²⁾	\$ 295,242				\$ 977,940,253	\$ 978,235,495
Accrued Interest Receivable	\$ 1,761,693	\$ 701,494	\$ 18,139	\$ 4,452	\$ 7,034,733	\$ 9,520,511
TOTAL PARITY ASSETS	\$ 363,935,515	\$ 215,371,398	\$ 3,255,205	\$ 9,535,174	\$ 1,146,801,424	\$ 1,738,898,716
PARITY LIABILITIES						
Bonds and Notes Payable ⁽¹⁾	\$ 309,535,000	\$ 174,715,000	\$ 1,700,000		\$ 977,878,437	\$ 1,463,828,437
Accrued Interest Payable	\$ 2,766,418	\$ 2,677,155	\$ 8,998		\$ 7,088,196	\$ 12,540,767
Other Non-Current Liabilities ⁽³⁾					\$ 165,859,999	\$ 165,859,999
TOTAL PARITY LIABILITIES	\$ 312,301,418	\$ 177,392,155	\$ 1,708,998	\$ -	\$ 1,150,826,632	\$ 1,642,229,203
PARITY DIFFERENCE	\$ 51,634,097	\$ 37,979,243	\$ 1,546,207	N/A	\$ (4,025,208)	\$ 96,669,513
PARITY	116.53%	121.41%	190.47%	N/A	99.65%	105.89%

(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.

2e

BOARD ACTION ITEM
BOND FINANCE DIVISION
FEBRUARY 28, 2017

Acceptance and approval of submission of a report prepared by the Department's Financial Advisor, George K. Baum & Company, to be submitted to the Texas Bond Review Board in support of continued waiver pursuant to Tex. Gov't Code §2306.142(m)

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code (the "Act"), as amended from time to time, for the purpose of providing for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income (as described in the Act as determined by the Governing Board of the Department (the "Governing Board") from time to time) at prices they can afford;

WHEREAS, the Act authorizes the Department: (a) to issue revenue bonds, to provide money to (i) make and acquire mortgage loans or participations therein, (ii) fund or increase the Department's reserves or funds (iii) pay the costs and expenses of issuing the bonds and (iv) pay interest on the bonds; and (b) to pledge all or part of the revenues, income or resources of the Department, including the revenues to be received by the Department from the mortgage loans or participations therein, to secure the payment of the principal, interest or redemption premium on the bonds;

WHEREAS, Tex. Gov't Code §2306.142 requires the Department to evaluate the feasibility of a single-family mortgage revenue bond program designed to meet the credit needs of the underserved economic and geographic submarkets of the state, including those submarkets served disproportionately by subprime lenders;

WHEREAS, Tex. Gov't Code §2306.142(l) requires that, beginning on September 1, 2002, and in each subsequent state fiscal year, the Department allocate, through set-aside or reservation of funds, not less than 40 percent of the total single-family mortgage revenue bond loan volume for mortgage loans, including subprime mortgage loans, to be originated in underserved economic and geographic submarkets in the state;

WHEREAS, Tex. Gov't Code §2306.142(m) of the Act provides that if the Governing Board determines in any year that bonds intended to be issued to achieve the purposes of Tex. Gov't Code §2306.142 of the Act are unfeasible or would damage the financial condition of the Department, the Governing Board may formally appeal to and request a waiver from the Bond Review Board of the requirements of Tex. Gov't Code §2306.142(l);

WHEREAS, the Department has determined, with respect to each single family mortgage revenue bond issuance since 2002, that fulfilling the requirements of Tex. Gov't Code §2306.142(l) is unfeasible, is not consistent with the reasonable financial operation of the

Department, and could damage the financial condition of the Department; as such, the Department has requested and received, from the Bond Review Board, a waiver of the requirements of Tex. Gov't Code §2306.142(l) for each issuance of single family mortgage revenue bonds since 2002;

WHEREAS, the Department requested and received, from its financial advisor, George K. Baum & Company, a report (the "Report") that addresses the feasibility and potential economic impact to the Department of fulfilling the requirements of Tex. Gov't Code §2306.142(l); and

WHEREAS, the Governing Board has been presented with the Report;

NOW, therefore, it is hereby

RESOLVED, that the Report is accepted and approved by the Governing Board, and the Director of Bond Finance is authorized to submit the Report to the Bond Review Board in ongoing support of the waivers of Tex. Gov't Code §2306.142(l) as provided for in Tex. Gov't Code §2306.142(m).

BACKGROUND

The State Legislature amended Tex. Gov't Code §2306.142 in 2001 to encourage the Department to research and utilize Department issued single family mortgage revenue bonds, when feasible, to meet the credit needs of the underserved economic and geographic submarkets of the state. The legislation further emphasized the delivery of credit to submarkets disproportionately served by subprime lenders, mandating that not less than 40 percent of the total single-family mortgage revenue bond loan volume for mortgage loans, including subprime mortgage loans, be originated in underserved economic and geographic submarkets in the state. This provision in Tex. Gov't Code §2306.142(l) of the statute is conditioned by Tex. Gov't Code §2306.142(m) of the statute that "...if the board determines in any year that bonds intended to be issued to achieve the purposes of this section are unfeasible or would damage the financial condition of the department, the board may formally appeal to the Bond Review Board the requirements of Subsection (k) or (l), as applicable. The Bond Review Board has sole authority to modify or waive the required allocation levels."

Pursuant to Tex. Gov't Code §2306.142(m), the Department has requested and received, from the Bond Review Board, a waiver of the requirements of Tex. Gov't Code §2306.142(l) for all new origination single family mortgage revenue bond issues closed since 2002, based on a determination made, on an issue-by-issue basis, that fulfilling the requirements of Tex. Gov't Code §2306.142(l) was unfeasible, not consistent with the reasonable financial operation of the Department, and could damage the financial condition of the Department. In anticipation and support of the continuing need for such waivers, the Department requested that its Financial Advisor undertake a comprehensive review and analysis of the feasibility and potential economic impact of fulfilling the requirements of Tex. Gov't Code §2306.142(l).

As presented in more detail in the Report, there are four primary factors that result in the determination that compliance with Tex. Gov't Code §2306.142(l) is unfeasible, is not consistent with the reasonable financial operation of the Department, and could damage the financial condition of the Department. Specifically, these factors are:

1. Excessive cost of negative arbitrage to meet the 40% set aside requirement

Under current market conditions, any reservation or set-aside of bond proceeds will result in negative arbitrage, which is the “cost” incurred when the interest rate on the bonds exceeds the interest rate on the investment of the reserved or set-aside amounts. Currently, the negative arbitrage associated with reservations in conjunction with single family mortgage revenue bonds is cost prohibitive.

2. TDHCA indentures require “MBS eligible” loans

Prior to 1988, the collateral securing the Department's single family mortgage revenue bonds was in the form of “whole loans.” These whole loans carried FHA or VA insurance, or Primary Mortgage Insurance, as applicable, and were pledged as collateral under various indentures to secure the Department's repayment obligations to bondholders. Economic risks inherent with whole loans include timing risk related to the receipt of mortgage payments by the underlying borrowers, as well as principal, interest, and expense risk associated with foreclosures, bankruptcies, deeds-in-lieu, and other such events. While the Department carried insurance policies to mitigate these risks, these policies did not address timing risk and contained caps on the amount of losses they could cover for each loan and in the aggregate. As a result, the Department was required to post significant reserves in order to maintain investment grade ratings on its bonds.

Beginning in 1988, the Department began securing new bond issues with pools of Ginnie Mae, Fannie Mae, and/or Freddie Mac mortgage-backed securities (“MBS”); for which the timely receipt of principal and interest is guaranteed by Ginnie Mae, Fannie Mae, or Freddie Mac, respectively. The change from whole loans to MBS resulted in higher ratings on the bonds and provided more structuring certainty, which allowed bonds to be structured to meet individual investor needs. The higher rating and structuring certainty produces a lower cost of debt to the Department and lower interest rates to homebuyers under the Department's single family programs. In addition, using MBS eliminates the need for overcollateralization, eliminates the requirement to post debt service reserves, and eliminates uninsured losses associated with whole loans.

3. Master Servicers have minimum credit requirements

The MBS that secure the Department's bond issues are “issued” or “pooled” by a program Master Servicer. The Master Servicer must be a qualified Ginnie Mae issuer/servicer, and a Fannie Mae and Freddie Mac approved seller/servicer. The Master Servicer reviews the loans for compliance with the requirements of FHA, VA, RHS, Ginnie Mae, Fannie Mae, and/or Freddie Mac, as required. Typically, the Master Servicer also requires additional program guidelines with respect to the credit quality of the mortgage loans. The Department's current Master Servicer is the Idaho Housing and Finance Association (“IHFA”). IHFA requires that borrowers under the program have a minimum 620 FICO score.

4. The 40% set-aside requirement creates significant interest rate risk

During the set-aside period, while bond proceeds are invested at short-term rates, there is interest rate risk associated with the funds that have been set-aside or reserved. While the interest rate on the bonds was “locked” at bond closing, there is no way to “lock” the pass-through rate on the MBS and ensure that loans that meet the reservation or set-aside requirements are originated in order to meet the debt service requirements on the bonds. If mortgage rates decrease after bond closing, the Department may need to reduce the mortgage rate on its program, potentially resulting in a revenue shortfall requiring a deposit of additional funds by the Department to meet the debt service obligation on the bonds. In the alternative, the Department may be faced with a non-origination (or unexpended proceeds) call on the bonds. Investors are fairly sensitive to unexpended proceeds redemptions, and the Department may receive less favorable pricing (or a higher cost of borrowing) for future bond issues as a result.

Staff concurs that the Department cannot meet the technical requirements of Tex. Gov't Code §2306.142 of the Act. However, the Department's single family programs provide a significant benefit to the low, very low, and moderate income homebuyers throughout the state. Since October 2012, the Department has financed over \$935 million in first lien and approximately \$43 million in second lien mortgage loans; approximately 65% of these loans were made to borrowers at or below 65% of Area Median Income.

Staff recommends that the Governing Board approve the Report and authorize its submission to the Bond Review Board in support of continued waiver pursuant to Tex. Gov't Code §2306.142(m).



February 28, 2017

Executive Director and Board of Directors
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

At the request of Department staff, George K. Baum & Company prepared this report to address certain provisions of the Texas Government Code, Title 10, Subtitle G, Chapter 2306, specifically the feasibility and potential economic impact to the Department of complying with Section 2306.142(l). As noted below, we are not providing the Department with any legal advice. We are retained by the Department in an expert financial capacity only. For legal analysis of Texas Government Code, Title 10, Subtitle G, Chapter 2306, or any other applicable law or regulation, please contact your legal counsel.

This report provides our analysis of feasibility and economic impact, as well as a summary of how the Department serves the credit needs of borrowers in underserved economic and geographic submarkets. It is our understanding that the Department completed the market study required under Section 2306.142(c) in 2002. Our report concludes that compliance with the requirements of Section 2306.142(l) remains unfeasible and could damage the financial condition of the Department. This is consistent with the conclusion reached by the Bond Review Board (“BRB”) in granting waivers to the Department since 2002.

Background

Section 2306.142(l) of the Texas Government Code requires that single family mortgage revenue bonds issued by the Department contain specific set-asides or reservations of funds for mortgage loans, including subprime mortgage loans⁽¹⁾, to be originated in underserved economic and geographic submarkets in the state. Specifically, Section 2306.142(l) states:

In the state fiscal year beginning on September 1, 2002, and in each subsequent state fiscal year, the department shall allocate not less than 40 percent of the total single-family mortgage revenue bond loan volume to meet the credit needs of borrowers in underserved economic and geographic submarkets in the state, subject to the identification of a satisfactory market volume demand through the market study.

As permitted under Section 2306.142(m), the Department has requested and received from the BRB a waiver of this provision for every new origination single family mortgage revenue bond issue closed by the Department since 2002. These waivers were granted on the basis that compliance with Section 2306.142(l) is unfeasible and could damage the financial condition of the Department.

(1) Section 2306.142 contains multiple references to the inclusion of subprime borrowers as part of underserved economic and geographic submarkets. The complete text of Section 2306.142 is attached.

Feasibility and Economic Impact

Under current market conditions, fulfilling the requirements of Section 2306.142(l) (specifically allocating or reserving any portion of the bond proceeds) is not feasible, not economically viable, would not be “consistent with the reasonable financial operation of the Department”, and could damage the financial condition of the Department. Further, it is anticipated and assumed that, due to the financing structures implemented by the Department, the Department will continue to request a waiver from BRB of the requirements of Section 2306.142(l).

Compliance with the 40% set aside requirement of Section 2306.142(l), which includes the subprime requirement of Section 2306.142(f), is not feasible and could damage the financial condition of the Department for the following reasons:

- 1) Excessive cost of negative arbitrage to meet the 40% set aside requirement. Negative arbitrage is the cost that results when the interest rate paid on the bonds exceeds the interest rate earned on bond proceeds. When bond proceeds are required to be set aside, the required amount is deposited and invested until used; concurrently, the bonds accrue and pay interest at a higher rate than that earned on the set-aside amounts. For the last ten years or so, interest rates on 30-year housing bonds have greatly exceeded the short-term investment rates at which bond proceeds can be invested.

However, a financing structure with no set-aside requirements can, and has been, implemented by the Department with no negative arbitrage cost. When the requirements of Section 2306.142(l) are waived, the Department is able to originate and pool its mortgage loans in advance of the bond issuance and can purchase the resulting MBS using bond proceeds at the closing of the bond issue. This eliminates negative arbitrage.

While a small amount of negative arbitrage might be absorbed by a financing structure, the amount of negative arbitrage associated with setting aside 40% of the bond proceeds would be cost prohibitive. The Department could be forced to make an outright donation to the structure (as opposed to a contribution that could be recouped). For example, TDHCA would need to set-aside more than \$100 million of loans annually to fulfill a 40% set aside requirement on \$250 million total loan volume. The cost of “negative arbitrage” associated with reserving \$100 million of loans annually (40% of \$250 million) could exceed \$1.5 to \$3.0 million per year in the current market. Historically, the vast majority of funds set aside for targeted areas (required by the IRS to meet tax law) and similar requirements are not used, remain idle, and incur negative arbitrage for the entire one-year set-aside period.

Even if the Department chose to fund the negative arbitrage by increasing the rate charged to the homebuyers, the resulting rate would be (i) too high to be attractive, making origination unlikely and exacerbating the cost of the negative arbitrage, and (ii) too high to comply with Internal

Revenue Service requirements related to the permissible spread between bond yield and mortgage yield for tax exempt bond issues.

- 2) TDHCA indentures require “MBS eligible” loans. The Department has not used “whole loan” collateral to support its indentures since 1988. Since then, the Department pools its mortgage loans into mortgage-backed securities (“MBS”) that are backed by Ginnie Mae, Fannie Mae, or Freddie Mac, which effectively guarantee the timely receipt of underlying mortgage loan payments to meet the debt service requirements of the Department’s indentures. This financing structure results in a higher rating on the bonds and a lower cost of debt, while the Department pledges fewer assets to the bond indenture than otherwise would be required. In addition, the MBS structure eliminates (i) the cost of overcollateralization, (ii) the need to fund debt service reserves, and (iii) the costs, expenses, and losses typically associated with whole loans.

Each agency (Ginnie Mae, Fannie Mae, and Freddie Mac) has specific mortgagor eligibility requirements for mortgage loans that are securitized into an MBS. While the definition of subprime has changed over time (particularly since the events of 2008), subprime loans generally are not eligible for securitization. As such, the Department would have to maintain those loans as whole loans. As detailed in the previous paragraph, there are significant economic reasons for the Department to maintain its MBS financing structure as it allows the Department to assist the maximum amount of low and moderate income homebuyers in the most efficient manner without incurring unnecessary credit risk. The cost of foregoing these efficiencies to accommodate the introduction of a significant number of low rated whole loans would be impractical and could damage the financial condition of the Department.

- 3) Master Servicers have minimum credit requirements. The Department uses a Master Servicer to purchase, pool, and service mortgage loans originated through its single family mortgage programs. The Master Servicer typically has minimum credit requirements for eligible borrowers. The Department’s prior Master Servicer had a minimum FICO score requirement of 640 with a 1% credit risk penalty paid by the Department, or a 660 with no penalty. On October 1, 2016, the Department changed Master Servicers. The new Master Servicer, Idaho Housing and Finance Authority (“IHFA”), has a minimum FICO score requirement of 620. Therefore, the Department cannot originate loans for credits below 620 FICO due to the Master Servicer’s credit requirements.
- 4) The 40% set-aside requirement creates significant interest rate risk in the form of rate buy-down and/or unexpended proceeds call risk. Because the bond rate is set at closing, the Department is subject to interest rate risk on set-aside amounts. If the market interest rate for mortgage loans drops, the Department’s mortgage rate may be unattractive. For short periods of time or for relatively small amounts, this is manageable; however, a 40% set-aside could be quite costly. The Department would be faced with a choice: a) contribute its own funds to “buy down” the mortgage rate, or b) invoke a non-origination call on the bonds, potentially damaging the Department’s reputation among bond purchasers and possibly increasing its borrowing cost in

the future. Once again, compliance with Section 2306.142(l) is not feasible and could damage the financial condition of the Department.

Serving the Needs of Borrowers in Underserved Economic and Geographic Submarkets

The Department regularly serves borrowers in underserved economic and geographic submarkets. Through its “to-be-announced” (or TBA) program, also known as the Taxable Mortgage Program (“TMP-79”), the Department offers daily financing options to homebuyers throughout the State. TMP-79, which began in October 2012, is a continuous funding program that currently serves as the Department’s primary mortgage loan origination mechanism for single family programs. Summary highlights of TMP-79 include the following:

- TMP-79 is currently the only statewide down payment assistance program that offers financing to borrowers with FICO scores as low as 620.
- Since October 2012, the Department has financed and purchased over \$935 million in first lien second mortgage loans and provided almost \$43 million in associated down payment and closing cost assistance (in the form of 0% interest, due on sale or refinance, second mortgage loans).
- Approximately 65% of program borrowers earn less than 80% of Area Median Income (“AMI”).
- The Department offers free online Homebuyer Education training. This tool educates first-time homebuyers regarding the complex process of purchasing a home and is required in order to be an eligible borrower in one of the Department’s single family loan programs.
- The Department is responsible for the Texas Statewide Homebuyer Education Program, which is offered through third party providers. This program provides training to housing counselors with respect to the content and techniques for providing comprehensive pre- and post-purchase homebuyer education that is used to provide quality homebuyer education throughout the state.

Conclusion

Based on the costs and risks described above, and consistent with the conclusion reached by the Bond Review Board (“BRB”) in granting waivers to the Department since 2002, we believe that meeting the requirements of Section 2306.142(l) remains unfeasible.

The Department, however, continues to achieve its objectives by adapting and innovatively structuring its programs to serve an ever-expanding borrower base of Texas homebuyers in underserved markets – economic, credit, geographic, or otherwise. The Department’s use of MBS to secure its bonds programs significantly reduces the Department’s risk and borrowing cost. Therefore, the Department expects to continue to request a waiver from BRB each time it finances a bond program. The Department will

continue to monitor its ability to meet these requirements as it looks for ways to better serve its borrower base, which is composed primarily of low, very low, and moderate income first-time homebuyers. The Department also will maintain the integrity of its bond indentures and operate in a manner that is “consistent with the reasonable financial operation of the Department”.

Use of the Report

It is expressly understood and agreed that (a) this report is provided solely for the information of and assistance to the Texas Department of Housing and Community Affairs and is not to be used, circulated, quoted or otherwise referred to without our written consent, and (b) this report is not intended, and is not under any circumstances to be construed, as legal advice or as requiring us to perform services which may constitute the practice of law. We are retained and engaged by TDHCA in an expert financial capacity only. Our statements and conclusions are based in part on information provided to us by TDHCA staff, and we assume that information to be materially complete, accurate and true. We have not undertaken any responsibility or duty to independently verify that information, and this report is not intended to and does not attest that such information is materially complete, accurate or true.

Sincerely,



Barton Withrow
Senior Vice President
George K. Baum & Company

Attachment: Texas Government Code, Title 10, Section 2306.142

GOVERNMENT CODE

CHAPTER 2306. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Sec. 2306.142. AUTHORIZATION OF BONDS. (a) Subject to the requirements of this section, the board shall authorize all bonds issued by the department.

(b) If the issuance is authorized by the board, the department shall issue single-family mortgage revenue bonds to make home mortgage credit available for the purchase of newly constructed or previously owned single-family homes to economic and geographic submarkets of borrowers who are not served or who are substantially underserved by the conventional, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or Federal Housing Administration home mortgage lending industry or by housing finance corporations organized under Chapter 394, Local Government Code.

(c) The board by rule shall adopt a methodology for determining through a market study the home mortgage credit needs in underserved economic and geographic submarkets in the state. In conducting the market study required by this subsection, the department or its designee shall analyze for the underserved economic and geographic submarkets, at a minimum, the following factors:

- (1) home ownership rates;
- (2) loan volume;
- (3) loan approval ratios;
- (4) loan interest rates;
- (5) loan terms;
- (6) loan availability;
- (7) type and number of dwelling units; and

(8) use of subprime mortgage loan products, comparing the volume amount of subprime loans and interest rates to "A" paper mortgage loans as defined by Standard and Poor's credit underwriting criteria.

(d) The department or its designee shall analyze the potential market demand, loan availability, and private sector home mortgage lending rates available to extremely low, very low, low, and moderate income borrowers in the rural counties of the state, in census tracts in which the median family income is less than 80 percent of the median family income for the county in which the census tract is located, and in the region of the state adjacent to the international border of the state. The department or its designee shall establish a process for serving those counties, census tracts, and regions through the single-family mortgage revenue bond program in a manner proportionate to the credit needs of those areas as determined through the department's market study.

(e) Using the market study and the analysis required by this section, the board shall evaluate the feasibility of a single-family mortgage revenue bond program with loan marketing, eligibility, underwriting, structuring, collection, and foreclosure criteria and with loan services practices that are designed to meet the

credit needs of the underserved economic and geographic submarkets of the state, including those submarkets served disproportionately by subprime lenders.

(f) In evaluating a proposed bond program under this section, the board shall consider, consistent with the reasonable financial operation of the department, specific set-asides or reservations of mortgage loans for underserved economic and geographic submarkets in the state, including the reservation of funds to serve borrowers who have "A-" to "B-" credit according to Standard and Poor's credit underwriting criteria.

(g) The department may use any source of funds or subsidy available to the department to provide credit enhancement, down payment assistance, pre-homebuyer and post-homebuyer counseling, interest rate reduction, and payment of incentive lender points to accomplish the purposes of this section in a manner considered by the board to be consistent with the reasonable financial operation of the department.

(h) In allocating funds under Subsection (g), the department's highest priority is to provide assistance to borrowers in underserved economic and geographic submarkets in the state. If the board determines that sufficient funds are available after fully meeting the credit needs of borrowers in those submarkets, the department may provide assistance to other borrowers.

(i) The board shall certify that each single-family mortgage revenue bond issued by the department under this section is structured in a manner that serves the credit needs of borrowers in underserved economic and geographic submarkets in the state.

(j) After any board approval and certification of a single-family mortgage revenue bond issuance, the department shall submit the proposed bond issuance to the Bond Review Board for review.

(k) In the state fiscal year beginning on September 1, 2001, the department shall:

(1) adopt by rule a market study methodology as required by Subsection (c);

(2) conduct the market study;

(3) propose for board review a single-family mortgage revenue bond program, including loan feature details, a program for borrower subsidies as provided by Subsections (g) and (h), and origination and servicing infrastructure;

(4) identify reasonable capital markets financing;

(5) conduct a public hearing on the market study results and the proposed bond program;

and

(6) submit for review by the Bond Review Board the market study results and, if approved and certified by the board, the proposed bond program.

(l) In the state fiscal year beginning on September 1, 2002, and in each subsequent state fiscal year, the department shall allocate not less than 40 percent of the total single-family mortgage revenue bond loan volume to meet the credit needs of borrowers in underserved economic and geographic submarkets in the state, subject to the identification of a satisfactory market volume demand through the market study.

(m) On completion of the market study, if the board determines in any year that bonds intended to be issued to achieve the purposes of this section are unfeasible or would damage the financial condition of the department, the board may formally appeal to the Bond Review Board the requirements of Subsection (k)

or (l), as applicable. The Bond Review Board has sole authority to modify or waive the required allocation levels.

(n) In addition to any other loan originators selected by the department, the department shall authorize colonia self-help centers and any other community-based, nonprofit institutions considered appropriate by the board to originate loans on behalf of the department. All non-financial institutions acting as loan originators under this subsection must undergo adequate training, as prescribed by the department, to participate in the bond program. The department may require lenders to participate in ongoing training and underwriting compliance audits to maintain good standing to participate in the bond program. The department may require that lenders meet appropriate eligibility standards as prescribed by the department.

(o) The department shall structure all single-family mortgage revenue bond issuances in a manner designed to recover the full costs associated with conducting the activities required by this section.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 980, Sec. 24, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 1367, Sec. 2.02, eff. Sept. 1, 2001.

ACTION ITEMS

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ORAL
PRESENTATION

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BOARD ACTION REPORT
MULTIFAMILY FINANCE DIVISION
FEBRUARY 28, 2017

January 2017 QAP Roundtable

TDHCA staff, affordable housing representatives and stakeholders, and observers from various interest groups met in the Stephen F. Austin Building, Room 107, January 25, 2017, to discuss the development of the 2018 Qualified Allocation Plan (“QAP”) and Rules governing multifamily development activities. The topics of discussion at this meeting was Dispersion and Underserved Area—two components of the QAP that promote allocation of Low Income Housing Tax Credits in a balanced and equitable manner.

Charlie Duncan, from Texas Low Income Housing Information Service, helped start the discussion on dispersion by sharing maps on the location of 9% pre-application proposals. These maps, at least preliminarily, seem to suggest that dispersion continues to occur in the siting of LIHTC housing units. Several commenters noted that dispersion was a more attainable goal this year since the 2017 QAP opened up 3rd quartile census tracts for household income that share borders with 1st and 2nd quartile census tracts. One commenter said that she saw a balanced mixture of concerted revitalization plan deals, urban core deals, and high opportunity deals. Several commenters also stated that if it were not for this expansion of eligible census tracts, many developers would not have been able to withstand the turbulence in the tax credit equity markets that occurred after the November 2016 Presidential election.

A few commenters stated that the rule regarding proximity to railroad tracks inhibits the goals of dispersion and proximity to urban core, especially with the desire to locate deals in high opportunity areas. One commenter pointed to the cities of Austin and Houston, both of which have several railroad lines running through high opportunity areas. Marni Holloway—Director of Multifamily Finance— noted that TDHCA had instituted a change to the 2017 Rules regarding Undesirable Site Features (§10.101(2)) whereby an Applicant is welcome to provide evidence regarding the mitigation of applicable undesirable site features, such as proximity to railroads, to the Board.

Some commenters stated the threshold criteria for Dispersion should not apply uniformly to all areas—*i.e.*, the “Two Mile Same Year Rule” (§11.3(a)) carries a significantly different implication for a large metropolitan area than it does for a small, rural town. These commenters—both developers and advocates—asked if the distance could be shorter for larger cities, proposing, for example, a “One Mile Same Year for Urban Areas Rule.” There was a discussion over the issue of addressing issues already covered by specific statutory language that was limited in its scope to apply only to certain areas.

Similarly, commenters asked whether TDHCA could revisit the time limitations of Underserved Area, which inhibit the development of affordable housing in cities (and census tracts) that are experiencing not only the fastest population growth in the state, but also the country. The “look back period” for §11.9(c)(6)(C), §11.9(c)(6)(D), §11.9(c)(6)(E) is 15 years. Some census tracts’ populations have more than doubled in 15 years, but this scoring item discourages affordable

housing development to meet that growing demand. One commenter proposed a shorter look back period, suggesting five or 10 years.

There was also comment on how the rules regarding Dispersion and Underserved Area provide incentives to develop away from primary urban areas in smaller, surrounding towns. For example, the “One Mile Three Year Rule” (§11.3(c)) does not apply to counties with populations less than one million or to areas outside metropolitan statistical areas. Similarly, a few commenters stated that the current writing of the Underserved Area rules sometimes drives deals to very small towns that may not have strong tenant demand. In addition to the suggestion mentioned earlier to shorten the look back time period, other commenters suggested applying underserved area criteria not just to any HTC deal, but rather to the target populations of developments—elderly and general. This would allow more HTC developments in the same area, as long as they served different populations.

Meeting participants conversed at length about where low-income housing tenants want to live and, tangentially, what unit, development, site, and neighborhood characteristics and amenities they look for when making that decision. There was disagreement among participants about whether or not HTC tenants wish to live in or near urban cores. While some commenters stated that tenants prefer the neighborhoods of suburban communities, others maintained that the economic opportunities and convenient proximity to a host of urban amenities better served the interests of affordable housing tenants. One advocate commented that the reason why we might not see many low income tenants in the urban core is because there is a shortage of affordable housing there. Executive Director Tim Irvine described an idea under consideration to conduct a tenant survey of their housing preferences, which was mentioned at the most recent 2018 QAP Project meeting on December 14, 2016.

In regards to instituting other mechanisms for encouraging dispersion and development in underserved areas that are currently not in the QAP or Rules, commenters provided several suggestions. One suggestion was to compare the average rent of a census tract with the fair market rent for the city in which that census tract is located (with the fair market rent being determined annually by the U. S. Department of Housing and Urban Development (“HUD”). Census tracts with the highest average rents, relative to that HUD-established fair market rent, could be prioritized for LIHTC allocations. Other commenters, not necessarily proposing that same mechanism, reiterated the need for a tool in the QAP that provides greater incentive to develop where there is need. Determining how to define that need, of course, is more difficult.

Other commenters proposed that the QAP move away from providing incentives for certain developments and instead simply prohibit certain developments. For example, it was posited that the QAP could prohibit development in 4th income quartile census tracts with existing and extensive concentrations of subsidized housing. A QAP of simply prohibited locations and threshold items, a commenter said, would allow more flexibility for developers, serving the goal of dispersion. At most there could be a few incentives for items that TDHCA and the affordable housing community find to be advantageous to the program and tenants’ needs.

When asked what the primary factors should be that drive the dispersion of LIHTC allocations each year, the consensus from developers was that it should be the same features that drive good real estate—connectivity to transportation options, proximity to jobs, and opportunities to become involved in a good neighborhood. If these are the factors that drive the siting of good market-rate apartments, then they should also be the factors that drive the allocation of affordable housing.

Note that this particular point also accentuates the need for a survey that actually asks affordable housing tenants what they want—in effect, a “market study” of affordable housing preferences.

Lastly, members of the meeting partook in a debate about the factors that might inhibit the dispersion of affordable housing and the locating of affordable housing in desirable but underserved areas. Many commenters tied the state representative letter of support or opposition to the challenge of securing support in certain areas and the relative ease of securing that support in other areas. This concern about the state representative letter of support or disapproval became apparent when a person working for a city asked why the siting of affordable housing in cities did not align with her particular city’s comprehensive plans—oftentimes the byproduct of countless hours of public meetings and careful urban planning. There seemed to be a consensus that various scoring items relating to local support impacted site selection, and ultimately the ability to achieve dispersion.

The QAP Roundtable scheduled for February 22, 2017 was cancelled. The next QAP Roundtable is scheduled for March 22, 2017 and will cover the Opportunity Index.

4b

ORAL
PRESENTATION

5a

**TO BE POSTED NOT LATER THAN THE
THIRD DAY BEFORE THE DATE OF
THE MEETING**

5b

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action to consider a waiver of 10 TAC §10.101(b)(4)(E) and (F) and a Land Use Restriction Agreement (“LURA”) Amendment for three developments (Lakes of El Dorado #14409 in McKinney, Fountains of Rosemeade #14410 in Carrollton and Ash Lane Apartments #14411 in Euless)

RECOMMENDED ACTION

WHEREAS, by three separate applications the Owner of three related Developments, Lakes of El Dorado, Fountains of Rosemeade, and Ash Lane Apartments (collectively the “Developments”), all located in Region 3, received awards of 4% Housing Tax Credits (“HTC”) in 2014 to acquire and rehabilitate a total of 852 units;

WHEREAS, each of the tax credit applications for these three Developments required specific mandatory unit amenities described in 10 TAC §10.101(b)(4) and, specifically, the subject of this action, the requirement to have Energy Star rated dishwashers and Energy Star rated refrigerators;

WHEREAS, rehabilitation of all of the Developments is complete and the Development Owner has identified that the appliances installed are not Energy Star rated;

WHEREAS, the Development Owner has provided as good cause to grant the waiver documentation that, based on the energy consumption values registered with the US Department of Energy, the installed dishwashers and refrigerators meet Energy Star thresholds, and is requesting approval to leave in place the installed non-Energy Star rated dishwashers and refrigerators;

WHEREAS, there is no federal requirement to have Energy Star rated dishwashers and Energy Star rated refrigerators for the 4% HTC Program, and at this time it is a non-competitive program;

WHEREAS, the Development Owner has also offered as good cause to grant the waiver information that the estimated cost to replace these amenities would be cost prohibitive and make the transactions infeasible; and

WHEREAS, the expected useful life of these appliances is shorter than the Extended Use Period and the Department requires Energy Star rated dishwashers and refrigerators to be installed as the existing dishwashers and refrigerators need replacing;

NOW, therefore, it is hereby

RESOLVED, that the requested waiver is approved, conditioned upon the Development Owner's acknowledgment that Energy Star rated dishwashers and refrigerators will be installed as the existing appliances need replacement; and

FURTHER RESOLVED, that the Executive Director and his designees are each authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Lakes of El Dorado Apartments (HTC #14409), Fountains of Rosemeade (#14410), and Ash Lane Apartments (#14411) in McKinney, Dallas, and Euless, respectively, were approved for 4% Housing Tax Credit awards in 2014. The proposed transactions consisted of the acquisition and rehabilitation of 220 units, 382 units, and 250 units, respectively, for a total of 852 units. While each development is owned by a separate entity, the Developments are ultimately controlled by Neil Brown, Gary Silver, and Richard L. Higgins.

In a letter dated November 28, 2016, Richard L. Higgins requested approval for a variance to the requirement for Energy Star rated dishwashers and Energy Star rated refrigerators described in 10 TAC §10.101(b)(4)(E) and (F). Mr. Higgins explained that upon completion of the rehabilitation the owner realized that Energy Star rated refrigerators and dishwashers were not installed by the contractor. The owner is seeking approval to leave in place the installed appliances. It must be noted that rehabilitation developments are exempt from the dishwasher requirement if one was not originally in the unit. However, staff confirmed that dishwashers were originally in the units of these Developments, and therefore, the Developments are not exempt from the requirement for dishwashers.

The owner provided additional documentation from the appliance distributor explaining that, due to significant changes in the Energy Star thresholds during the time when the rehabilitation work was being completed, Energy Star rated refrigerators and dishwashers were not readily available. The owner further stated that because the properties were fully occupied at the time of rehabilitation, timely and consistent delivery of appliances was required for the comfort and convenience of the residents.

After further discussions with staff, the owner contacted Intertek, an Energy Star rating lab, to compare the models of the refrigerators and the dishwashers that were installed to the Energy Star thresholds. Intertek's review concluded that, based on the energy consumption values registered with the U.S. Department of Energy, the installed dishwashers and refrigerators meet Energy Star thresholds. Staff further confirmed that Energy Star equivalency as documented in this case by the owner has been accepted by the Department's Compliance division during a final construction inspection and would consider this type of documentation to satisfy the requirement under 10 TAC §10.101(b)(4)(E) and (F).

The owner's request states that installing Energy Star rated appliances at this point would be cost prohibitive, estimating the cost of replacing all of the refrigerators and dishwashers with Energy Star rated appliances to be over \$908,000, which would make the transactions infeasible according to the owner. Additionally, the owner pointed out that replacing the appliances would create an undue hardship on the residents. While the owner has documented that the installed refrigerators and dishwashers meet Energy Star thresholds, the owner has also proposed to install seven-day programmable thermostats to improve the efficiency of the units if the documentation provided regarding the appliances installed is deemed

insufficient. A programmable thermostat is not currently among the list of required or optional amenities in the Department's rules.

Staff recommends approval of the requested waiver as presented herein.

Norstar Development USA
621 Cowboys Parkway, Suite 200
Irving, Texas 75063
(214) 496-0600

January 27, 2017

Texas Department of Housing and Community Affairs
Attn: Ms. Rosalio Banuelos, Asset Management
P.O. Box 13941
Austin, Texas 78711-3941

RE: Ash Lane Apartments, Fountains of Rosemeade Apartments, Lakes of Eldorado Apartments

Dear Mr. Banuelos,

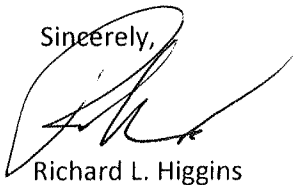
In our earlier request for variance, we asserted that the refrigerator was energy star equivalent based on energy efficiency and our architect concurred based on the energy guides published by the EPA. As a further confirmation of this assertion, we contacted an Energy Star rating lab to review the models of both the refrigerator and the dishwasher that were installed for comparison to the Energy Star thresholds. Intertek is listed as a testing facility on the Energy Star website. After review of both the installed refrigerator model specifications and the installed dishwasher specifications, they found both meet the energy efficiency threshold for Energy Star. Please find attached their certified report.

As we further researched the issue of why these models were purchased, we contacted the distributor to have a fuller understanding. Appliance Warehouse responded that due to significant changes in the Energy Star thresholds during the time we were implementing our rehabs, Energy Star rated refrigerators and dishwashers were not readily available. Stephanie Totten, National Sales Director for Appliance Warehouse's letter is attached. Ms. Totten also provided a training piece from Whirlpool concerning the refrigerators new threshold and the changes. We believe this demonstrates good cause for the change, as at the time of rehabbing the properties were fully occupied and we required timely and consistent delivery of appliances for the comfort and convenience of our residents.

In previous correspondence prior to our knowledge that the dishwasher was in fact equivalent in energy efficiency to energy star, we proposed installing 7 day programmable thermostats. Even though the refrigerator and dishwasher meet or exceed Energy Star thresholds, we would maintain this offer to further improve the efficiency of the units.

We respectfully request that TDHCA consider allowing us to keep the installed appliances.

Sincerely,



Richard L. Higgins
Vice President

Cc: Ms. Stephanie Baker, Norstar Accolade Property Management

Norstar Development USA
621 Cowboys Parkway, Suite 200
Irving, Texas 75063
(214) 496-0600

December 21, 2016

Texas Department of Housing and Community Affairs
Attn: Mr. Rosalio Banuelos, Asset Management
P.O. Box 13941
Austin, Texas 78711-3941

RE: Ash Lane Apartments, Fountains of Rosemeade Apartments, Lakes of Eldorado Apartments

Dear Mr. Banuelos,

We respectfully request that our request for variance be approved. All 852 refrigerators and dishwashers have been installed and all three of the projects are fully occupied. The refrigerators and dishwashers were installed without knowledge of the owners that they were not energy star rated. Only after requesting the energy star documentation was it noted. To meet this requirement, we would create an undue hardship on the residents as the refrigerators are filled with their personal groceries and to replace the dishwashers would require the water be turned off for a period of time and non-use of the existing dishwasher during the replacement.

Based on the architect's certification that the currently installed refrigerator exceeds the minimum requirement for energy star efficiency, there is a benefit to the resident as they will be utilizing less energy.


Based on the analysis of energy used for the non-rated dishwasher the energy cost per household is \$1.00 per year greater than the energy star rated dishwasher. We offered to reduce the rent by \$1.00 per month to more than compensate for the difference, although we understand that this may require additional monitoring. As an option instead of the \$1.00 reduction in rent, if the variance is approved, we would propose installing programmable thermostats which yields an approximate 10% energy savings annually for heating and cooling of the units. Based on average usage, this would save residents \$83.00 per year. (see attached)

From a cost perspective, a replacement energy star refrigerator costs \$650.00 per unit; the energy star dishwasher costs \$295.00. Full replacement costs for all units would be \$908,455.00, plus labor.

Attached please find the architect's confirmation that the refrigerators installed exceed the minimum Energy Star requirements, along with the Energy Guides for both the refrigerators and dishwashers. Also attached are the replacement costs of the refrigerators and dishwashers versus the costs for the installed.

We believe our proposal above is fair and reasonable when balanced against the significant costs of replacement and the minimal energy gains therefrom. However, we would be pleased to consider any other proposed solutions that would achieve comparable energy savings and/or cost benefits to our residents that don't involve the unnecessary and costly replacement of the appliances involved.

Sincerely,



Richard L. Higgins
Vice President

Enclosures

Cc: Ms. Stephanie Baker, Norstar Accolade Property Management

Norstar Development USA
621 Cowboys Parkway, Suite 200
Irving, Texas 75063
(214) 496-0600

November 28, 2016

Texas Department of Housing and Community Affairs
Attn: Ms. Rosalio Banuelos, Asset Management
P.O. Box 13941
Austin, Texas 78711-3941

RE: Ash Lane Apartments, Fountains of Rosemeade Apartments, Lakes of Eldorado Apartments

Dear Ms. Banuelos,

On September 25, 2014, we acquired the above projects to rehabilitate under the 4% tax credit program. Per Chapter 10 Subchapter B of TAC, (b) (4) Mandatory Development Amenities, item (F) Energy-Star rated refrigerator and item (E) Energy Star or equivalent rated dishwasher, we are requesting consideration for a variance on these two items.

Upon completion of, we realized that Energy Star refrigerators and dishwashers were not installed by the contractor. Once identified, we reviewed the energy guides for the models installed and found that in the case of the refrigerator, the installed refrigerator is more efficient by 44 kwh annually, an estimated savings to our residents of \$5.00 per year. The architect on these projects has reviewed the refrigerator's energy efficiency and concluded it exceeds the minimum requirement for energy star. Please see attached.

In reference to the dishwasher, the installed dishwasher was less efficient by only 10 kwh annually, an estimated cost per year of \$1.00. We propose to leave the installed dishwashers in place, and when it needs to be replaced, replace it with an energy star appliance. In the interim, we will reduce our net rents by \$1.00 per month per year per unit until the dishwasher is replaced in affected units.

We respectfully request that TDHCA consider allowing us to keep the installed appliances. Due to the overall effect of the savings from the refrigerator, the residents would save 34 kwh annually or \$4.00 per annum.

Sincerely,



Richard L. Higgins
Vice President

Cc: Ms. Stephanie Baker, Norstar Accolade Property Management



1809 10th Street Suite 400
Plano, Tx 75074

Telephone: 972-202-8800
www.intertek.com

January 26th, 2017

Norstar Accolade Property Management
Stephanie Baker
621 Cowboys Parkway Suite 200
Irving, TX 75063

102902338DAL-001
Project Number: G102902338
Ph: (214) 496-0600 x 228
E-mail: sbaker@accoladepm.com

Subject: G102902338, Energy Star Requirements Assessment

Dear Ms. Baker,

Below are observations based on information supplied to Intertek Testing Services NA, Inc.:

Evaluation Period	20-Jan-2017	Project No.	G102902338
DOE Registered Model Number	WDF110PAB**		
Energy Star Appliance Classification	Standard Capacity Dishwasher		
DOE Registered Annual Energy Consumption (kWh/year)	270		
Energy Star Maximum Allowable Energy Consumption (kWh/year)	270		
DOE Registered Water Consumption (Gallons/Cycle)	3.14		
Energy Star Maximum Water Consumption (Gallons/Cycle)	3.50		
Registered Model Number	WRT108FZD***		
Energy Star Appliance Classification	3l. Refrigerator-freezers— automatic defrost with top- mounted freezer with an automatic icemaker without through-the-door ice service.		
Fresh Food Compartment Volume (ft ³)	13.06		
Freezer Compartment Volume (ft ³)	5.09		
DOE Registered Total Volume (ft ³)	18.2		
DOE Registered Adjusted Volume (ft ³)	22		
DOE Registered Annual Energy Consumption (kWh/year)	411*		
Energy Star Maximum Allowable Energy Consumption (kWh/year)	455*		

* Only applies to WRT108FZD*** units with basic model number 4w3g90-08 and without an automatic ice-maker.

Please note: As an energy star testing laboratory, Intertek was provided with the model numbers of a Whirlpool refrigerator and dishwasher that were installed, to evaluate whether or not these models met the established Energy Star thresholds. Based on the energy consumption values registered with the US Department of Energy these models meet Energy Star thresholds. Intertek was not involved with testing either of these models and has made no attempt to validate any of the energy consumption values. This Letter Report does not represent authorization for the use of any Intertek certification marks.

Reviewed by: Weston Taubenfeld
Title: Engineering Team Leader
Signature:
Date: 1/26/2017



This report is for the exclusive use of Intertek's Client and is provided pursuant to the agreement between Intertek and its Client. Intertek's responsibility and liability are limited to the terms and conditions of the agreement. Intertek assumes no liability to any party, other than to the Client in accordance with the agreement, for any loss, expense or damage occasioned by the use of this report. Only the Client is authorized to permit copying or distribution of this report and then only in its entirety. Any use of the Intertek name or one of its marks for the sale or advertisement of the tested material, product or service must first be approved in writing by Intertek. The observations and test results in this report are relevant only the sample tested. This report by itself does not imply that the material, product or service is or has ever been under an Intertek certification program.



APPLIANCE WAREHOUSE
OF AMERICA, INCORPORATED
Convenience Delivered

Re: Ash Lane, Fountains of Rosemeade, Lakes of Eldorado Apartments Appliances

Dear Stephanie,

As the National Sales Director for Appliance Warehouse, I was Norstar Development's contact for the purchase of Whirlpool appliances for the rehabilitation of 852 units. During the initial days of the contract in 12/2014, we identified a potential supply problem as the Energy Star final requirements were finalized by the EPA on 9/14/2014 requiring retooling and recalculating energy consumptions during the manufacturing process. Nationally there were delays across the country due to these changes. In addition, the dishwashers faced a similar Energy Star revision in 3/2015.

Distributors and consumers through-out the United States were, in some instances, facing delays of 4 to 6 weeks to receive product. Based on my observations, the multi-family industry suffered some of the toughest blows during the transition due to the limited number of units that our business segment can accommodate which met the new requirements. Simply, there were not enough refrigerators or dishwashers that were energy star labeled that met the new requirements. Additionally, due to new housing and multifamily developments, we saw an uptick in demand during those months which made scarce product even more difficult to purchase. Large projects, such as yours, would have felt the toughest blow due to tight time constraints, inability to transfer residents into the newly rehabbed units and unbudgeted loss of revenue when units were down longer than anticipated.

Based on this supply dilemma, Appliance Warehouse proposed alternative refrigerator and dishwasher models to ensure timely delivery of units.

Sincerely,



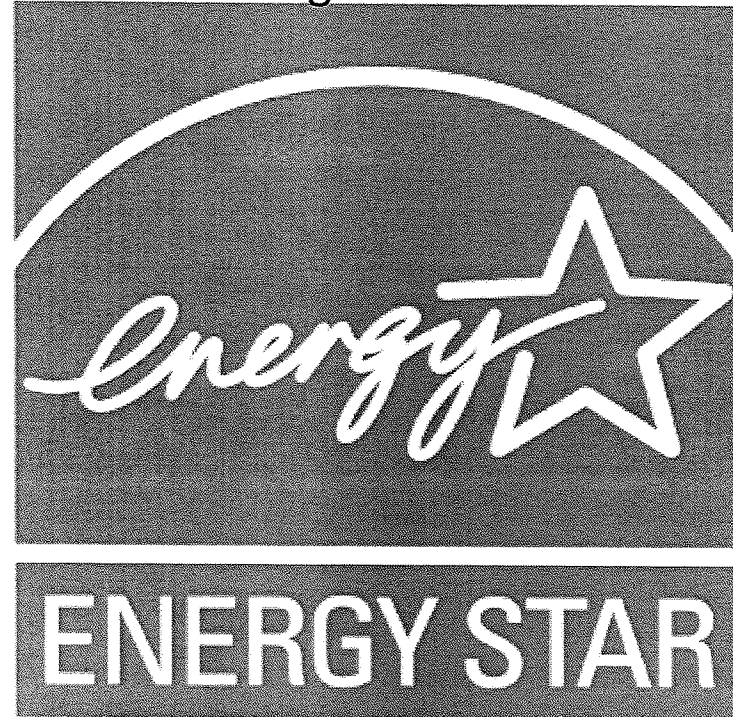
Stephanie Totten



2014

REFRIGERATION ENERGY TRANSITION

Ferguson : 2014 DOE Top Mount Review
August 2014



1/26/2017

ENERGY TRANSITION TIMELINE



Jan. 1 2014
 Old ESTAR Certifications Cease
 (Can manufacture with old tags until Sept 2014)
 Begin certifying product to the 2014 Standard

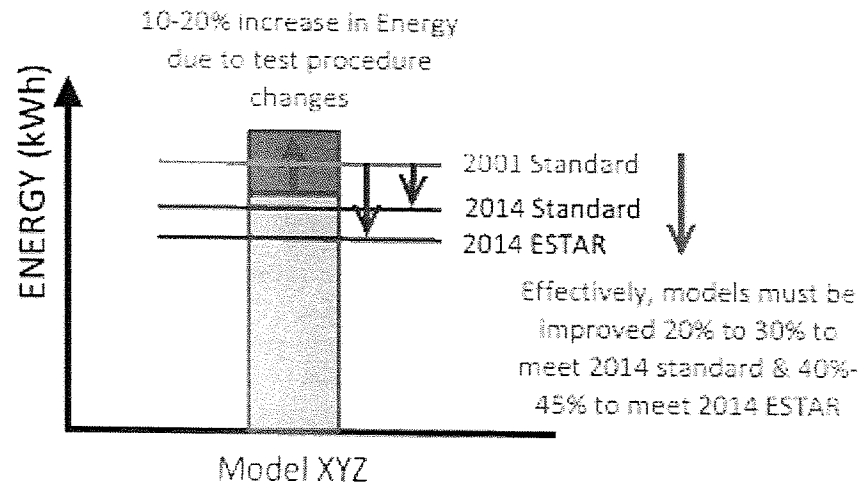
Manufacturer:
 Start Recertify/Retag current ESTAR models

Manufacturer:
 Manage Phase-in / out with appropriate inventory plan to support necessary manufacturing changes to drive to new standards. Also provide new Energy tags and Marketing material to trade.

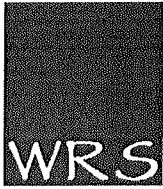
Sep. 14 2014
 2014 Energy Standards, 2014 Energy Star Spec. & Capacity Standards take effect. Hard Stop on Old Model Production/Import

Trade Customer Floor:
 Re-floor, Change Tags, POPs, Website, Promotional Material that designate ESTAR

Impact on Product Energy



White Rock Studio, LLC



1407 San Saba Drive
Dallas, Texas 75218
214.763.0416

*Constructibility
by Design*

December 6, 2016

Ms. Stephanie Baker
President
Norstar Accolade Property Management
621 Cowboys Parkway, Suite 200
Irving, Texas 75063

Via email

Re: Energy Star Ratings
Ash Lane Apartments - Euless, Texas

Dear Stephanie:

Per your request, I looked into the situation regarding the EnergyStar rating question that you raised. As part of my research, I spoke with Steve Hockenbury and he indicated that the units provided by Appliance Warehouse were supposed to comply. In reviewing the Excel spreadsheet provided regarding the power consumption and operations cost, it is my opinion that the units provided comply with the EnergyStar requirements. Appliance Warehouse should be able to provide the required paperwork.

Feel free to contact me if you have any questions or need further information. My E-mail address is teeds@whiterockstudio.com and cell phone number is 214-763-0416.

Sincerely,
White Rock Studio. LLC

A handwritten signature in black ink, appearing to read 'W. Anthony Eeds', written over the printed name and title.

W. Anthony Eeds RA
Principal

cc:
Kristina Higgins - via email
Richard Higgins - via email

White Rock Studio, LLC



1407 San Saba Drive
Dallas, Texas 75218
214.763.0416

*Constructibility
by Design*

December 6, 2016

Ms. Stephanie Baker
President
Norstar Accolade Property Management
621 Cowboys Parkway, Suite 200
Irving, Texas 75063

Via email

Re: Energy Star Ratings
Fountains at Rosemeade Apartments - Dallas, Texas

Dear Stephanie:

Per your request, I looked into the situation regarding the EnergyStar rating question that you raised. As part of my research, I spoke with Steve Hockenbury and he indicated that the units provided by Appliance Warehouse were supposed to comply. In reviewing the Excel spreadsheet provided regarding the power consumption and operations cost, it is my opinion that the units provided comply with the EnergyStar requirements. Appliance Warehouse should be able to provide the required paperwork.

Feel free to contact me if you have any questions or need further information. My E-mail address is teeds@whiterockstudio.com and cell phone number is 214-763-0416.

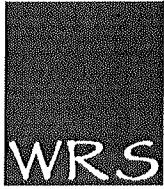
Sincerely,
White Rock Studio, LLC

A handwritten signature in black ink, appearing to read 'W. Anthony Eeds'.

W. Anthony Eeds RA
Principal

cc:
Kristina Higgins - via email
Richard Higgins - via email

White Rock Studio, LLC



1407 San Saba Drive
Dallas, Texas 75218
214.763.0416

*Constructibility
by Design*

December 6, 2016

Ms. Stephanie Baker
President
Norstar Accolade Property Management
621 Cowboys Parkway, Suite 200
Irving, Texas 75063

Via email

Re: Energy Star Ratings
Lakes of Eldorado Apartments - McKinney, Texas

Dear Stephanie:

Per your request, I looked into the situation regarding the EnergyStar rating question that you raised. As part of my research, I spoke with Steve Hockenbury and he indicated that the units provided by Appliance Warehouse were supposed to comply. In reviewing the Excel spreadsheet provided regarding the power consumption and operations cost, it is my opinion that the units provided comply with the EnergyStar requirements. Appliance Warehouse should be able to provide the required paperwork.

Feel free to contact me if you have any questions or need further information. My E-mail address is teeds@whiterockstudio.com and cell phone number is 214-763-0416.

Sincerely,
White Rock Studio. LLC

A handwritten signature in black ink, appearing to read 'W. Anthony Eeds'.

W. Anthony Eeds RA
Principal

cc:
Kristina Higgins - via email
Richard Higgins - via email

Ash Lane, Fountains of Rosemeade, Lakes of Eldorado

Refrigerator	Energy Star	Installed	
Model #	WRT348FME*0*	WRT108FZD*0*	
Type	Top Mount Freezer	Top Mount Freezer	
Size	18.2 cubic foot	18.2 cubic foot	
KWH-Annually		455	411
Estimated Costs-Annually		\$54	\$49

Dishwasher	Energy Star	Installed	
Model #	WDF320PAD**	WDF110PAB	
Type	Standard Capacity	Standard Capacity	
Size	Standard Capacity	Standard Capacity	
KWH-Annually		260	270
Estimated Costs-Annually		\$31	\$32

U.S. Government

Federal law prohibits removal of this label before consumer purchase.

ENERGYGUIDE

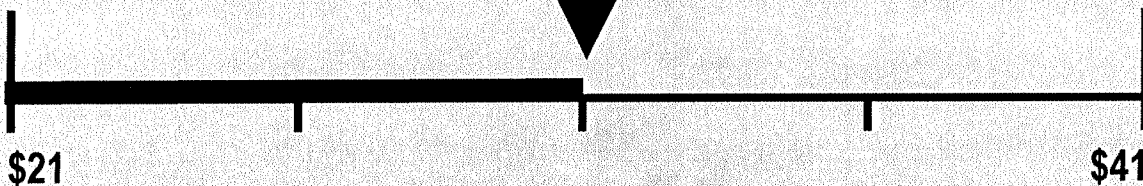
Dishwasher
Capacity: Standard

Whirlpool Corporation

Models: WDF320PAD**, WDF520PAD**
WDF540PAD**, WDT720PAD**

Estimated Yearly Energy Cost (when used with an electric water heater)

\$31



Cost Range of Similar Models

260 kWh

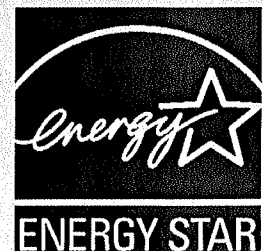
Estimated Yearly Electricity Use

\$22

Estimated Yearly Energy Cost
(when used with a natural gas water heater)

Your cost will depend on your utility rates and use.

- Cost range based only on standard capacity models.
- Estimated energy cost based on four wash loads a week and a national average electricity cost of 12 cents per kWh and natural gas cost of \$1.09 per therm.
- For more information, visit www.ftc.gov/energy. (P/N W10808749 Rev. A)



Canada

ENERGUIDE

Energy consumption / Consommation énergétique

260 kWh
per year / par année

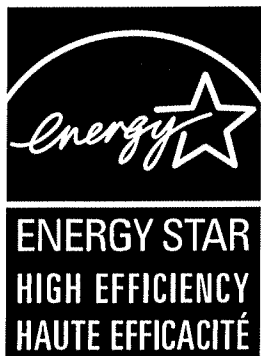
▼ This model / Ce modèle

200 kWh		325 kWh
Uses least energy / Consomme le moins d'énergie		Uses most energy / Consomme le plus d'énergie
Similar models compared	Built-In/Encastré Standard/Ordinaire	Modèles similaires comparés
Model number	583-260	Numéro du modèle

Removal of this label before first retail purchase is an offense (S.C. 1992, c.36).

Enlever cette étiquette avant le premier achat au détail constitue une violation de la loi (S.C. 1992, c.36).

Part No. W10808749 Rev. A



The **ENERGY STAR**[®] mark on this EnerGuide label signifies that this is an energy-efficient appliance. Its energy performance meets or exceeds the Government of Canada's high efficiency levels. Use the EnerGuide rating to determine how this appliance compares to other similar models.

La marque **ENERGY STAR**[®] sur cette étiquette ÉnerGuide signifie que l'appareil est éconergétique et que son rendement énergétique satisfait ou dépasse les niveaux de haute efficacité du gouvernement du Canada. Utilisez la cote ÉnerGuide afin de comparer le rendement de l'appareil avec celui d'autres modèles similaires.

U.S. Government

Federal law prohibits removal of this label before consumer purchase.

ENERGYGUIDE

Refrigerator-Freezer

- Automatic Defrost
- Top Mounted Freezer
- Without Through-The-Door-Ice Service

Whirlpool Corporation
 Model: WRT348FME*0*
 Capacity: 18.2 Cubic Feet

Compare **ONLY** to other labels with yellow numbers.
 Labels with yellow numbers are based on the same test procedures.

Estimated Yearly Energy Cost

\$54

Cost range not available

455 kWh

Estimated Yearly Electricity Use

- Your cost will depend on your utility rates and use.
- Cost range based only on models of similar capacity with automatic defrost, top mounted freezer, and without through-the-door-ice service.
- Estimated energy cost based on a national average electricity cost of 12 cents per kWh.



ftc.gov/energy

(P/N W10797468 Rev. A)

Canada

ENERGUIDE

Energy consumption / Consommation énergétique

329 kWh

per year / par année

▼ This model / Ce modèle

294 kWh

480kWh

Uses least energy /
Consomme le
moins d'énergie

Type 3

Uses most energy /
Consomme le plus
d'énergie

Similar models
compared

16.5 to 18.4
volume in ft³ / volume en pi³

Modèles similaires
comparés

Model number

WRT348FME*0*

Numéro du modèle

Removal of this label before first retail purchase is an offense (S.C. 1992, c.36).
 Enlever cette étiquette avant le premier achat au détail constitue une violation de la loi (S.C. 1992, c.36).

W10797468 Rev. A



ENERGY STAR
 HIGH EFFICIENCY
 HAUTE EFFICACITÉ

The ENERGY STAR® mark on this EnerGuide label signifies that this is an energy-efficient appliance. Its energy performance meets or exceeds the Government of Canada's high efficiency levels. Use the EnerGuide rating to determine how this appliance compares to other similar models.

La marque ENERGY STAR® sur cette étiquette ÉnerGuide signifie que l'appareil est éconergétique et que son rendement énergétique satisfait ou dépasse les niveaux de haute efficacité du gouvernement du Canada. Utilisez la cote ÉnerGuide afin de comparer le rendement de l'appareil avec celui d'autres modèles similaires.

U.S. Government

Federal law prohibits removal of this label before consumer purchase.

ENERGYGUIDE

Refrigerator-Freezer

- Automatic Defrost
- Top Mounted Freezer
- Without Through-The-Door-Ice Service

Whirlpool Corporation
 Model: WRT108FZD*0*
 Capacity: 18.2 Cubic Feet

Compare **ONLY** to other labels with yellow numbers.
 Labels with yellow numbers are based on the same test procedures.

Estimated Yearly Energy Cost

\$49

Cost range not available

411 kWh

Estimated Yearly Electricity Use

- Your cost will depend on your utility rates and use.
- Cost range based only on models of similar capacity with automatic defrost, top mounted freezer, and without through-door-ice service.
- Estimated energy cost based on a national average electricity cost of 12 cents per kWh.

ftc.gov/energy

(P/N W10709339 Rev. A)

Canada

ENERGUIDE

Energy consumption / Consommation énergétique

366 kWh

per year / par année

This model / Ce modèle



Uses least energy /
 Consomme le
 moins d'énergie

Type 3

Uses most energy /
 Consomme le plus
 d'énergie

Similar models
compaired

16.5 to 18.4
volume in ft³ / volume en pi³

Modèles similaires
comparés

Model number

WRT108FZD*0*

Numéro du modèle

Removal of this label before first retail purchase is an offense (S.C. 1992, c.36).
 Enlever cette étiquette avant le premier achat au détail constitue une violation de la loi (S.C. 1992, C.36).

W10709339 Rev. A



1500 Interstate 20 E.
Arlington, TX. 76018
(CORPORATE)

4786 Hulen Park Dr.
Fort Worth, TX. 76132

840 Airport Freeway
Hurst, TX. 76054

3401 W. Pioneer Pkwy
Arlington, TX. 76013
(OUTLET CENTER)

Sales Quote
04100468
Document Date
09/23/15
Delivery Date
Customer Will Call

Sold To
ACCOLADE PROP. MGMT. 620 W. WESTCHESTER PKWY GRAND PRAIRIE, TX 75052 Home: 972 263-7827

Ship To
ACCOLADE PROP. MGMT. 620 W. WESTCHESTER PKWY GRAND PRAIRIE, TX 75052

Home Phone:	Work Phone:	Cell Phone:	Salesperson	Customer #	Terms
972 263-7827			RC	04100468	CASH

Delivery Instructions **Printed:** 11/22/16 08:56AM
CALL 30 B4

Ln#	Model/Brand/Description	Order	Price	Amount
1	D Model: WRT318FMDB Brand: W/P WHIRLPOOL TOP MNT REF 18CF <i>NOT ENERGY STAR "INSTALLED"</i>	1	\$550.00	\$550.00 *
2	D Model: WFC310S0AB Brand: W/P REPLACED BY WFC310S0EB	1	\$348.00	\$348.00
3	D Model: WMH31017AB Brand: W/P WHIRLPOOL OTR MICROWAVE	1	\$175.00	\$175.00
4	D Model: WDF110PABB Brand: W/P WHIRLPOOL DISHWASHER <i>INSTALLED</i>	1	\$245.00	\$245.00 **
5	D Model: ECKMFEZ2 Brand: W/P WHIRLPOOL I/M FOR TOPMNT REFRI	1	\$70.00	\$70.00 *
6	D Model: DEL Brand: TEXAP DELIVERY GARAGE SETOFF ONLY 40.00 PER TRIP....DROP OFF ONLY	1	\$40.00	\$40.00

①
 \$620.00
 ②

Merchandise:	\$1,428.00
Tax:	\$114.24
Total Sales Quote:	\$1,542.24



1500 Interstate 20 E. | 4786 Hulen Park Dr. | 840 Airport Freeway | 3401 W. Pioneer Pkway
 Arlington, TX. 76018 | Fort Worth, TX. 76132 | Hurst, TX. 76054 | Arlington, TX. 76013
 (CORPORATE) (OUTLET CENTER)

Sales Quote
04135995
Document Date
11/22/16
Delivery Date
Customer Will Call

Sold To
ACCOLADE PROP. MGMT. 620 W. WESTCHESTER PKWY GRAND PRAIRIE, TX 75052 Home: 972 263-7827

Ship To
ACCOLADE PROP. MGMT. 620 W. WESTCHESTER PKWY GRAND PRAIRIE, TX 75052

Home Phone:	Work Phone:	Cell Phone:	Salesperson	Customer #	Terms
972 263-7827			RC	04100468	CASH

Delivery Instructions	Printed: 11/22/16 08:55AM
------------------------------	----------------------------------

Ln#	Model/Brand/Description	Order	Price	Amount
1	D Model: NONSTOCKED Brand: TEXAP ADD MODEL AND DETAILS FOR ORDER WHIRLPOOL REFRIG., MODEL NUMBER WRT348MEB..18 CU FT ENERGY STAR WITH ICEMAKER	1	\$650.00	\$650.00 * (1)
	<i>NOT INSTALLED COMPARABLE</i>			
2	D Model: WDF320PADB Brand: W/P WHIRLPOOL DISHWASHER	1	\$295.00	\$295.00 ** (2)
	<i>NOT INSTALLED COMPARABLE</i>			
3	D Model: WFC310S0EB Brand: W/P WHIRLPOOL ELECTRIC RANGE	1	\$348.00	\$348.00
4	D Model: WMH31017FB Brand: W/P WHIRLPOOL OTR MICRO 1.7 CU FT	1	\$175.00	\$175.00
5	D Model: GTW485ASJWS Brand: GEC GE TOP LOAD WASHER	1	\$490.00	\$490.00
6	D Model: GTD45EASJWS Brand: GEC GE TOP LOAD ELECTRIC DRYER	1	\$490.00	\$490.00
7	D Model: I-PKG Brand: TEXAP PACKAGE INSTALLATION	1	\$100.00	\$100.00

Merchandise:	\$2,548.00
Tax:	\$203.84
Total Sales Quote:	\$2,751.84



ENERGY SAVER

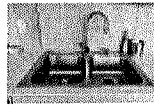
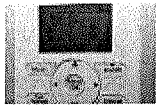
Home » How Much Can You REALLY Save with Energy Efficient Improvements?

How Much Can You REALLY Save with Energy Efficient Improvements?

October 7, 2016 - 11:47 am



Replace your home's five most frequently used light fixtures or bulbs with ENERGY STAR models to save \$75 per year. | Photo courtesy of Thomas Kelsey/U.S. Department of Energy Solar Decathlon



Allison Casey

Senior Communicator, NREL

Colorful leaves, cooler weather, cozy sweaters, pumpkin spice everywhere—it's definitely fall! While you're snuggling in and sipping a warm drink, we hope you'll join us this October and take action to save energy—and money—at home.

October is **Energy Action Month**, so it's the perfect time to get serious about energy savings. Not only is the weather perfect for taking on home improvement projects, but the timing is just right given that colder weather is coming soon. Taking steps now will mean greater comfort and savings by the time pumpkin spice gives way to peppermint.

To get you started, we've put together a list of specific actions you can take to save energy and water in your home, along with the potential annual savings for all of them. Be sure to check out the ideas below the table as well to really maximize your savings.

RECOMMENDED ACTION	POTENTIAL SAVINGS (AS A PERCENTAGE OF UTILITY BILLS)	AVERAGE ANNUAL SAVINGS IN \$ (BASED ON EIA AVERAGE END-USE EXPENDITURES*; ACTUAL SAVINGS WILL VARY)
Install exterior low-e storm windows	12%-33% annually on heating and cooling bills	\$100-\$274
Seal uncontrolled air leaks	10%-20% on annual heating and cooling bills	\$83-\$166
Plant shade trees	15%-50% of annual air conditioning costs	\$35-\$119
Use a power strip for electronic equipment and turn it off when not in use	Up to 12% of electric bill per year	\$100
Replace an older toilet that uses 6 gallons per flush with a WaterSense model		\$100
* Turn back your thermostat 7°-10°F for 8 hours a day	Up to 10% annually on heating and cooling bills	\$83
Weatherstrip double-hung windows	5%-10% annually on heating and cooling bills	\$42-\$83
Replace your home's five most frequently used light fixtures or bulbs with models that have earned the ENERGY STAR	9% on electricity bill annually	\$75
Lower water heating temperature	Save 4%-22% annually on your water heating bill	\$12-\$60

RECOMMENDED ACTION	POTENTIAL SAVINGS (AS A PERCENTAGE OF UTILITY BILLS)	AVERAGE ANNUAL SAVINGS IN \$ (BASED ON EIA AVERAGE END-USE EXPENDITURES*; A CTUAL SAVINGS WILL VARY)
Insulate water heater tank	Save 7%-16% annually on water heating bill	\$20-\$45
Fix leaky faucets; one drip per second wastes 1,661 gallons of water		\$35
Use sleep mode and power-management features on your computer	Up to 4% of annual electric bill	\$30
Insulate hot water pipes	Save 3%-4% annually on water heating bill	\$8-\$12
**TOTAL POTENTIAL SAVINGS		\$723-\$1,182

*Average annual energy expenditures per household in the U.S. are as follows: space heating: \$593; water heating: \$280; air conditioning: \$237; refrigerators: \$153; other (lighting and electricity): \$827

**All actual savings will vary depending on home, climate, products, and use.

The above list is just a sampling of the potential savings you could see by making smart energy choices in your home. Not all of these improvements will be possible for everyone, and savings will vary.

If you want to understand how to get the biggest bang for your buck, we recommend a **professional home energy audit**, which can help you pinpoint areas where your home is losing energy and which improvements will save you the most money. Making upgrades recommended in a home energy audit—and many of the items above would likely be included in your recommendations—could save you 5%-30% on your annual utility bills (an average of \$105-\$627, depending on home, climate, products and use).

Furthermore, actions like proper **heating and cooling** equipment maintenance; **turning off lights**; **reducing electricity use** throughout your home; **reducing hot water use**; ensuring your home is adequately **insulated**; and smart use of home design elements, such as **landscaping** and **window coverings** will save you even more.

Wondering how much you could save each year with a more efficient appliance? Check out the **ENERGY STAR website**, which showcases products that exceed the federal minimum standards for efficiency. You can also take a look at our **appliance energy use calculator** to compare your current product with a more efficient one.

Also be sure to check if you are eligible for **federal tax credits for energy efficiency or renewable energy**. Some expire at the end of 2016, so plan your improvements now!

Finally, check out our **fall and winter energy-saving tips** for other ways to stay warm, save energy, and save money as the weather cools down. Happy Energy Action Month, and happy saving!

U.S. Government

Federal law prohibits removal of this label before consumer purchase.

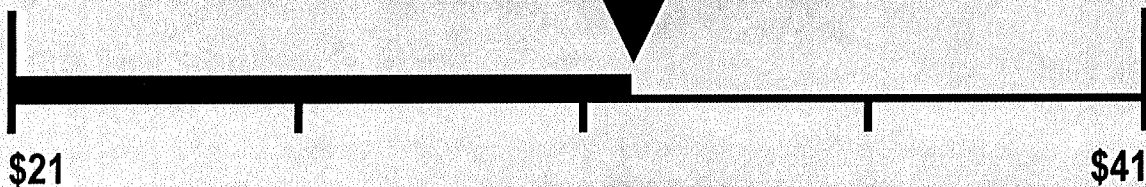
ENERGYGUIDE

Dishwasher
Capacity: Standard

Whirlpool Corporation
Models: WDF110PAB**, WDF111PAB**

Estimated Yearly Energy Cost (when used with an electric water heater)

\$32



Cost Range of Similar Models

270 kWh

Estimated Yearly Electricity Use

\$26

Estimated Yearly Energy Cost
(when used with a natural gas water heater)

Your cost will depend on your utility rates and use.

- Cost range based only on standard capacity models.
- Estimated energy cost based on four wash loads a week and a national average electricity cost of 12 cents per kWh and natural gas cost of \$1.09 per therm.
- For more information, visit www.ftc.gov/energy. (P/N W10808748 Rev. A)


Canada

ENERGUIDE

Energy consumption / Consommation énergétique

270 kWh
per year / par année

▼ This model / Ce modèle

		
200 kWh		325 kWh
Uses least energy / Consomme le moins d'énergie		Uses most energy / Consomme le plus d'énergie
Similar models compared	Built-In/Encastré Standard/Ordinaire	Modèles similaires comparés
Model number	583-270	Numéro du modèle

Removal of this label before first retail purchase is an offense (S.C. 1992, c.36).

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Part No. W10808748 Rev. A

6a

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
FEBRUARY 28, 2017

Presentation, Discussion, and Possible Action regarding a request for waiver of rules for Merritt Hill Country, HOME Contract #1002298/ HTC #15273

RECOMMENDED ACTION

WHEREAS, Merritt Hill Country (the “Development”) received an award of 9% Housing Tax Credits and HOME funds in 2015 for the construction of 80 new multifamily units in the City of Dripping Springs;

WHEREAS, 50% of the HOME funds were disbursed at closing in accordance with 10 TAC §13.11(p)(3) of the Multifamily Direct Loan Rule;

WHEREAS, the Development Owner has requested a waiver of 10 TAC §13.11(p)(3) and (9) in order to draw the remaining balance of HOME funds for eligible costs prior to the project meeting 50% completion;

WHEREAS, the Development Owner is seeking this waiver provided in 10 TAC §10.207(a)(2), which requires the Development Owner to establish how the waiver request is necessary to address circumstances beyond the Development Owner’s control and how, if the waiver is not granted, the Department will not fulfill some specific requirement of law;

WHEREAS, documentation has been submitted that explains the limitations of the equity contribution schedule and preference of Berkadia, the first lien FHA lender, to comply with a shared draw structure;

WHEREAS, the proposed waiver would increase the Department’s risk in terms of disbursing all HOME funds before certain construction benchmarks have met and would cause the activity to be placed in Infrequent Draw Status in HUD’s Disbursement System, which would require explanations to be entered periodically until the project is complete; and,

WHEREAS, staff has found that, because this waiver request is a result of the preference of the insurer of the first lien lender – FHA – rather than anything in federal law or statute and because no specific requirement of law would not be fulfilled if this waiver request was not approved, the modification to the Direct Loan disbursement requirements being proposed is not recommended;

NOW, therefore, it is hereby

RESOLVED, that the requested waiver for Merritt Hill Country as presented at this meeting is denied.

BACKGROUND

Merritt Hill Country was approved for a 9% HTC allocation and award of HOME funds during the 2015 competitive cycle. The Applicant proposed the new construction of 80 multifamily units in the City of Dripping Springs, Hays County. The HOME loan and all other financing closed on November 15, 2016, at which time \$775,000 (50%) of the \$1,550,000 HOME award was disbursed for part of the acquisition price (\$1,200,000). The Development Owner now requests approval for the remaining \$775,000 to be disbursed prior to 50% construction completion. The remaining \$775,000 would be used to reimburse the total acquisition price and various soft costs.

The Development Owner claims that reimbursement of these costs would allow for a shared funding of draws through roughly 50% construction completion until the next equity contributions are made. Berkadia, the senior FHA lender in this deal, claims that, without adhering to a shared funding structure, FHA loan proceeds would be exhausted prior to construction completion. Meanwhile, RBC Capital Markets, the equity provider, has stated that they do not have the ability to satisfy FHA's preferred shared draw structure beyond what is specified in the Capital Contributions exhibit in the Second Amended and Restated Limited Partnership Agreement. Despite a shared draw structure being the preference of Berkadia, staff did not receive any documentation from HUD or FHA that this shared draw structure is a requirement.

When asked for documentation showing how the waiver is necessary to address circumstances beyond the Development Owner's control, the Development Owner stated that the equity market collapse was beyond their control. However, the credit price for this transaction actually increased from the time of application (\$0.96) to closing (\$1.035). Additionally, the Development Owner elected to switch first lien lenders between the time of application and the time of closing, from a conventional lender who may not have been as concerned about a shared draw structure to an FHA lender who seems more concerned about a shared draw structure.

Finally, staff did not receive any documentation explaining how, if the waiver is not granted, the Department will not fulfill some specific requirement of law; only a stated preference from Berkadia for a shared draw structure.

Andrew Sinnott

From: Colton Sanders [csanders@denisondevelopment.com]
Sent: Tuesday, February 21, 2017 10:48 AM
To: Andrew Sinnott
Cc: Colby Denison
Subject: RE: Merritt Hill Country - General Waiver Request for 2/28/2017 Board Meeting
Attachments: 15273 - HOME Waiver Flow of Funds (2.21.2017).xlsx

Importance: High

Andrew,

Attached is the flow of funds showing “with” and “without” scenarios for the waiver request and the shared funding structure. The preferred “with” scenario shows the reallocation of HOME funds to cover land and soft costs at closing and then spreads an equivalent amount of equity throughout the construction period to meet the 80/20 shared funding structure that is required by our FHA lender, Berkadia. Please call me with any questions about the flow of funds spreadsheet.

Regarding requirements to 10 TAC 10.207:

Merritt Hill Country is the first deal in our portfolio to be funded by the HUD 221(d)4 loan program and it has been a learning process. We submitted the waiver request due to unforeseen circumstances that were beyond our control specifically related to incorrect assumptions made by Berkadia in their underwriting regarding the availability and timing of the HOME funds during construction. Therefore, we respectfully request Staff’s support and the Board’s approval of the waiver request as it relates to 10 TAC 13.11(p)(3) and (p)(9) to meet the requirements of our FHA lender and to deliver the units on time.

Please let me know if you need anything else.

Thank you,

Colton W. Sanders
Development Project Manager
Denison Development & Construction, Inc.
direct 737.704.0752
office 512.732.1226

From: Andrew Sinnott [mailto:andrew.sinnott@tdhca.state.tx.us]
Sent: Thursday, February 16, 2017 1:55 PM
To: Colton Sanders <csanders@denisondevelopment.com>
Cc: Colby Denison <colby@denisondevelopment.com>
Subject: RE: Merritt Hill Country - General Waiver Request for 2/28/2017 Board Meeting

Also, please let us know how the waiver request meets the requirement in [10 TAC 10.207\(a\)\(2\)](#). I could not find any justification that references how the waiver is necessary to address circumstances beyond the Applicant’s control.

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)).

Andrew Sinnott

From: Colby Denison [colby@denisondevelopment.com]
Sent: Thursday, February 16, 2017 2:11 PM
To: Andrew Sinnott; Colton Sanders
Subject: RE: Merritt Hill Country - General Waiver Request for 2/28/2017 Board Meeting

Andrew,

My initial response would be that the equity market collapse is beyond our control. RBC already front loaded this transaction more than I've ever seen, and, Citi refused to do a Bridge loan. RBC won't put up more equity given that they've already departed from normal and customary by a long shot, and they're likely upside down now that they just closed a deal just before the election when the deal was done at \$1.035 and mid \$0.80's are the market now.

I'll let Colton answer more technically, but the Applicant isn't able to source more funds from the equity or HUD, so TDHCA is our only option.

This deal is bonded, so construction risk has been mitigated considerably. We are making excellent progress, and we've had no issues getting approval of monthly draws from Architect or the HUD inspector.

Colby W. Denison

Denison Development & Construction, Inc.

1904 W. 35th Street

Austin, Texas 78703

(512) 732-1226

www.denisondevelopment.com

www.skyeliving.com

www.merrittcommunities.com

www.veriteesolutions.com

From: Andrew Sinnott [mailto:andrew.sinnott@tdhca.state.tx.us]
Sent: Thursday, February 16, 2017 1:55 PM
To: Colton Sanders <csanders@denisondevelopment.com>
Cc: Colby Denison <colby@denisondevelopment.com>
Subject: RE: Merritt Hill Country - General Waiver Request for 2/28/2017 Board Meeting

Also, please let us know how the waiver request meets the requirement in [10 TAC 10.207\(a\)\(2\)](#). I could not find any justification that references how the waiver is necessary to address circumstances beyond the Applicant's control.

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: Wednesday, February 15, 2017 4:34 PM
To: 'Colton Sanders'
Cc: Colby Denison
Subject: RE: Merritt Hill Country - General Waiver Request for 2/28/2017 Board Meeting

Great – 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: Colton Sanders [<mailto:csanders@denisondevelopment.com>]
Sent: Wednesday, February 15, 2017 3:47 PM
To: Andrew Sinnott
Cc: Colby Denison
Subject: RE: Merritt Hill Country - General Waiver Request for 2/28/2017 Board Meeting

Andrew,

Per our conversation, we are requesting a waiver to 10 TAC 13.11 Post Award Requirements, section (p)(3) regarding the withholding of 50% of loan funds for periodic disbursements, and section (p)(9) regarding the release of funds after achieving fifty percent construction completion.

I will send you the flow of funds / construction schedule exhibit tomorrow.

Colton W. Sanders
Development Project Manager
Denison Development & Construction, Inc.
direct 737.704.0752
office 512.732.1226

From: Andrew Sinnott [<mailto:andrew.sinnott@tdhca.state.tx.us>]
Sent: Thursday, February 09, 2017 1:19 PM
To: Colton Sanders <csanders@denisondevelopment.com>; Marni Holloway <marni.holloway@tdhca.state.tx.us>
Subject: RE: Merritt Hill Country - General Waiver Request for 2/28/2017 Board Meeting

Hi Colton,

Following up on our phone conversation yesterday afternoon, yes, we have received the request and are reviewing it. We will let you know if we need anything else or would like to talk to Berkadia.

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: Colton Sanders [<mailto:csanders@denisondevelopment.com>]
Sent: Wednesday, February 08, 2017 1:34 PM
To: Andrew Sinnott; Marni Holloway
Subject: RE: Merritt Hill Country - General Waiver Request for 2/28/2017 Board Meeting

Andrew and Marni,

I just want to confirm that you received our request sent yesterday.

Thank you,

Colton W. Sanders
Development Project Manager
Denison Development & Construction, Inc.
direct 737.704.0752
office 512.732.1226

From: Colton Sanders

Sent: Tuesday, February 07, 2017 3:05 PM

To: Andrew Sinnott <andrew.sinnott@tdhca.state.tx.us>; Marni Holloway <marni.holloway@tdhca.state.tx.us>

Cc: Colby Denison <colby@denisondevelopment.com>

Subject: Merritt Hill Country - General Waiver Request for 2/28/2017 Board Meeting

Importance: High

Good afternoon Andrew and Marni,

Attached is the general waiver request Board package for TDHCA # 15273 – Merritt Hill Country. Please contact us with any questions.

Sincerely,

Colton W. Sanders
Development Project Manager
Denison Development & Construction, Inc.
direct 737.704.0752
office 512.732.1226

Merritt Hill Country, Ltd.

February 2, 2017

Dear TDHCA Board Members:

We are submitting a General Waiver Request pursuant to 10 TAC 10.207 regarding the Department's disbursement policy for HOME loan funds on behalf of DDC Merritt Hill Country, Ltd (TDHCA HTC # 15273 and HOME Contract # 1002298) for your consideration at the February 23rd meeting. Merritt Hill Country Apartments is an 80-unit senior mixed income development funded by LIHTC equity, TDHCA HOME funds, and FHA 221(d)4 construction to perm loan.

Current Direct Loan rules allow up to 50% of the HOME award to be drawn at loan closing and the remainder of the HOME funds may be drawn once the project reaches 50% completion on a percent completion basis. In the case of Merritt Hill Country, FHA rules require that 20% of equity proceeds be committed to mortgageable costs at closing, and thereafter, each FHA draw must include 20% from another source to maintain a shared draw structure throughout the construction phase. RBC has already broken with conventional installment structure on this transaction, and cannot add any more equity other than that which has been agreed – please see included letter from RBC. Currently, there is insufficient funding to meet the HUD requirements of shared funding of draws through 50% completion, and therefore, HOME is the only source from which we have an option to draw.

In order to free up the equity to provide the shared balancing requirement throughout the construction phase, we need the HOME funds to pay land acquisition and city utility tap fees. Because we are in a High Opportunity Area with a booming residential market and limited utility capacity and because these costs are not Mortgageable with FHA dollars, Merritt Hill Country needs the full release of the HOME funds to cover costs and meet the monthly cash requirements to reach successful completion and placement in service.

We have provided a revised budget showing the reallocation of HOME funds to land and soft costs versus our original submission showing HOME funding Hard Costs and Land Acquisition, supporting documentation for these expenses, and letters from our equity investor and FHA lender demonstrating the need for this request. We respectfully request that the remaining balance of the HOME funds be made immediately available to this project or it is likely future draws will not be funded and the project would therefore be placed in jeopardy of completion and placement in service.

Sincerely,



Colby Denison
Authorized Representative

Colton Sanders

From: Richard Orf <Rick.Orf@berkadia.com>
Sent: Wednesday, February 01, 2017 11:10 AM
To: Joan Wantland
Cc: Colby Denison; Colton Sanders; Missy Olson
Subject: Merritt Hill Country

Categories: TDHCA, Draws, 15273 Hill Country - IMPORTANT

Joan,

As we discussed recently for Merritt Hill Country, although HUD does not have a pari passu structure for funding of monthly draws discussed in writing, prudent underwriting does require that we as the Lender take measures to keep the loan in balance with regard to the use of mortgage proceeds and equity funds. Our experience with various HUD offices throughout the country show that staying within a loose shared draw structure is preferred and for the best benefit of longer construction draw schedules, particularly when no bridge loan is in place to fund shortfalls. Our risk analysis of Merritt Hill Country has determined that construction funding should generally stay within an 80/20 draw structure for mortgage and equity (or other sources, such as HOME) proceeds. This ensures that the use of FHA mortgage proceeds is not exhausted prior to the influx of other funding sources, specifically in cases where there may be cost overruns or construction delays in which hitting the percentage completion requirements for equity installments may be delayed. TDHCA HOME funds can be used to mitigate risk during 0 to 50% completion without incurring additional risk to either the FHA or HOME mortgages. Without adhering to a shared funding structure, we see that FHA loan proceeds are spent prior to the completion of the project, where later months in the construction becomes a significant risk. Keeping loosely to this structure in the early time periods of the construction schedule reduces that risk that may be presented nearing the end of construction. Therefore, we support the Development Owner in its request to TDHCA asking for a waiver of the Department's direct loan disbursement policy for Merritt Hill Country.

Let me know if you would like anything additional.

Rick



Rick Orf

Vice President - Deputy Chief Underwriter

12444 Powerscourt Drive Suite 400 | St. Louis MO 63131

T: +1 (314) 984-5530 | M: +1 (314) 302-2215

rick.orf@berkadia.com | www.berkadia.com

Berkadia Commercial Mortgage LLC

a Berkshire Hathaway and Leucadia National company

This message is intended for the individual or entity named above. If you are not the intended recipient, please do not read, copy, use or disclose message from your system. Thank you.

Merritt Hill Country - Flow of Funds Scenarios for TDHCA Waiver Request

Total Construction Contract Amount		\$9,684,762														
Construction Period		Closing Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
HUD Approved Anticipated Monthly Value (\$)		\$3,431,551	\$212,730	\$430,129	\$497,816	\$396,734	\$711,147	\$670,948	\$775,367	\$645,635	\$737,914	\$976,469	\$873,086	\$1,115,438	\$843,454	\$716,576
Cummulative Construction		\$81,319	\$294,049	\$724,178	\$1,221,994	\$1,618,728	\$2,329,875	\$3,000,823	\$3,776,190	\$4,421,825	\$5,159,739	\$6,136,208	\$7,009,294	\$8,124,732	\$8,968,186	\$9,684,762
Accumulated Schedule Progress (%)		0.84%	3.04%	7.48%	12.62%	16.71%	24.06%	30.98%	38.99%	45.66%	53.28%	63.36%	72.37%	83.89%	92.60%	100.00%
Without TDHCA Waiver																
Portion of Draw Paid by:		Closing Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
FHA		22%	100%	100%	100%	100%	100%	100%	100%	100%	66%	84%	84%	66%	13%	70%
HOME		23%	0%	0%	0%	0%	0%	0%	0%	0%	7%	16%	16%	16%	16%	16%
Equity		55%	0%	0%	0%	0%	0%	0%	0%	0%	27%	0%	0%	18%	71%	14%
FHA Draw Schedule		\$765,768	\$212,730	\$430,129	\$497,816	\$396,734	\$711,147	\$670,948	\$775,367	\$645,635	\$487,122	\$820,190	\$733,353	\$736,917	\$108,463	\$1,126,680
Cummulative		\$765,768	\$978,498	\$1,408,627	\$1,906,443	\$2,303,177	\$3,014,324	\$3,685,272	\$4,460,639	\$5,106,274	\$5,593,396	\$6,413,586	\$7,146,939	\$7,883,856	\$7,992,320	\$9,119,000
HOME Draw Schedule		\$775,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,792	\$156,279	\$139,733	\$178,521	\$134,991	\$114,685
Cummulative		\$775,000	\$775,000	\$775,000	\$775,000	\$775,000	\$775,000	\$775,000	\$775,000	\$775,000	\$825,792	\$982,071	\$1,121,804	\$1,300,325	\$1,435,315	\$1,550,000
Equity Installment Schedule		\$1,890,783	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$0	\$0	\$200,000	\$600,000	\$1,336,380
Cummulative		\$1,890,783	\$1,890,783	\$1,890,783	\$1,890,783	\$1,890,783	\$1,890,783	\$1,890,783	\$1,890,783	\$1,890,783	\$2,090,783	\$2,090,783	\$2,090,783	\$2,290,783	\$2,890,783	\$4,227,163
Uses of Funds		\$3,431,551	\$212,730	\$430,129	\$497,816	\$396,734	\$711,147	\$670,948	\$775,367	\$645,635	\$737,914	\$976,469	\$873,086	\$1,115,438	\$843,454	\$716,576
Sources of Funds		\$3,431,551	\$212,730	\$430,129	\$497,816	\$396,734	\$711,147	\$670,948	\$775,367	\$645,635	\$737,914	\$976,469	\$873,086	\$1,115,438	\$843,454	\$2,577,745
With TDHCA Waiver Approved																
Cummulative %:		Closing Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
FHA		22%	100%	100%	100%	80%	80%	80%	80%	61%	73%	100%	100%	82%	29%	70%
HOME		45%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Equity		33%	0%	0%	0%	20%	20%	20%	20%	39%	27%	0%	0%	18%	71%	29%
FHA Draw Schedule		\$765,768	\$212,730	\$430,129	\$497,816	\$317,387	\$568,918	\$536,758	\$620,294	\$391,474	\$537,914	\$976,469	\$873,086	\$915,438	\$243,454	\$1,231,365
Cummulative		\$765,768	\$978,498	\$1,408,627	\$1,906,443	\$2,223,830	\$2,792,748	\$3,329,506	\$3,949,800	\$4,341,274	\$4,879,188	\$5,855,657	\$6,728,743	\$7,644,181	\$7,887,635	\$9,119,000
HOME Draw Schedule		\$1,540,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
Cummulative		\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000	\$1,540,000	\$1,550,000
Equity Installment Schedule		\$1,125,783	\$0	\$0	\$0	\$79,347	\$142,229	\$134,190	\$155,073	\$254,161	\$200,000	\$0	\$0	\$200,000	\$600,000	\$1,336,380
Cummulative		\$1,125,783	\$1,125,783	\$1,125,783	\$1,125,783	\$1,205,130	\$1,347,359	\$1,481,549	\$1,636,622	\$1,890,783	\$2,090,783	\$2,090,783	\$2,090,783	\$2,290,783	\$2,890,783	\$4,227,163



RBC Capital Markets®

Royal Bank of Canada
Tax Credit Equity Group
Cleveland, Ohio, 44102
Telephone: (216) 875-2626
Fax: (216) 875-2612

February 1, 2017

DDC Merritt Hill Country, Ltd.
1904 W 35th Street
Austin, Texas 78703
Attn: Colton Sanders

**Re: Merritt Hill Country
Dripping Springs, TX**

Dear Colton,

You have requested to see if RBC has the ability to advance any more equity during construction for the Merritt Hill Country property in Dripping Springs, TX. Unfortunately, we are already maxed out at what we can advance during construction. We advanced 37% of our equity at initial closing; have an additional 23% being advanced in four installments during the construction period, and have an additional 26% coming in at completion. That leaves us only 14% of equity held back for stabilization and 8609. The existing equity payment schedule is already very front-loaded and exceeds our guidelines. We had to get a waiver to advance this much equity to begin with. I am sorry, but we cannot put additional equity in during construction.

Please call me with any questions you may have. Thanks!

Very truly yours,

A handwritten signature in black ink, appearing to read 'DK', with a large, stylized flourish to the right.

Daniel J. Kierce
Director
RBC Capital Markets
Tax Credit Equity Group

Supporting Documentation

Exhibit 1 – Revised HOME Budget

Exhibit 2 – Invoices Supporting Soft Costs

DDC Merritt Hill Country, Ltd
HOME # 1002298

Exhibit 1 – Revised HOME Budget

HOME RENTAL HOUSING DEVELOPMENT BUDGET & DISBURSEMENT PLAN

Contract #

1002298

Final Budget HOME Budget Requested Funds

(plus retainage)

ACQUISITION

Acquisition Contract Price	\$ 1,225,055	\$ 1,225,055	\$ -
Acquisition Closing/Legal/Other			\$ -
Total Acquisition	\$ 1,225,055	\$ 1,225,055	\$ -

Comments

OFF-SITES

SITE WORK

DIRECT CONSTRUCTION COSTS

OTHER CONSTRUCTION COSTS

Contractor General requirements (<6%)

Contractor overhead (<2%)

Contractor profit (<6%)

Total Contractor Fee Budgeted

Total Contractor Fee Limit: \$1,168,097

Contingency (<5%)

TOTAL DIRECT HARD COSTS

INDIRECT/SOFT CONSTRUCTION COSTS

Architectural - Design fees	\$ 165,658		\$ -
Architectural - Supervision fees	\$ 95,950		\$ -
Engineering fees	\$ 200,150		\$ -
Real estate attorney/other legal fees	\$ 42,500		\$ -
Accounting fees	\$ 25,000		\$ -
Impact Fees	\$ 549,930		\$ -
Building permits & related costs	\$ 65,196		\$ -
Appraisal	\$ 9,000		\$ -
Market analysis	\$ 8,000		\$ -
Environmental assessment	\$ 17,318		\$ -
Soils report	\$ 9,900		\$ -
Survey	\$ 5,000		\$ -
Marketing			\$ -
Course of construction insurance			\$ -
Hazard & liability insurance	\$ 21,250		\$ -
Real property taxes	\$ 30,000		
Personal property taxes	\$ -		
Tenant relocation expenses			\$ -
Other Indirect/Soft Costs	\$ 360,000		\$ -
Subtotal Indirect Const. Cost	\$ 1,604,852	\$ 324,945	\$ -

--

Other Construction = Landscaping, Pool & Decking, Fencing, Water Well

Other = FFE

DEVELOPER FEES

Housing consultant fees			\$ -
Developer fee- General & Administrative			\$ -
Developer fee- Profit or fee	\$ 1,823,346	\$ -	\$ -
Subtotal Developer's Fees	\$ 1,823,346	\$ -	\$ -

--

MAX DEVELOPER FEE FROM REA REPORT

\$ 1,390,209

Final Budget HOME Budget Requested Funds

FINANCING COSTS:

CONSTRUCTION LOAN(S)

Construction Loan Interest	\$ 666,695		\$ -	
Construction Loan origination fees	\$ 91,190		\$ -	
Construction Loan Title & recording fees	\$ 94,020		\$ -	
Construction Loan Closing costs & legal fees	\$ 72,000		\$ -	
Construction Loan - Inspection fees			\$ -	
Construction Loan - Credit Report	\$ -		\$ -	
Construction Loan - Discount Points	\$ -		\$ -	

PERMANENT LOAN(S)

Permanent Loan Origination fees			\$ -	
Permanent Loan Title & recording fees			\$ -	
Permanent Loan Closing costs & legal			\$ -	
Permanent Loan Bond premium			\$ -	
Permanent Loan Credit report			\$ -	
Permanent Loan Discount points			\$ -	
Permanent Loan Credit enhancement fees			\$ -	
Permanent Loan Prepaid MIP			\$ -	

BRIDGE LOAN(S)

Bridge Loan Interest			\$ -	
Bridge Loan Origination fees			\$ -	
Bridge Loan Title & recording fees			\$ -	
Bridge Loan Closing costs & legal fees			\$ -	

OTHER FINANCING COSTS

Other Financing - Tax credit fees	\$ 26,572		\$ -	
Other Financing - Tax and/or bond counsel			\$ -	
Other Financing - Payment bonds			\$ -	
Other Financing - Performance bonds			\$ -	
Other Financing - Credit enhancement fees			\$ -	
Other Financing - Mortgage insurance premiums			\$ -	
Other Financing - Cost of underwriting & issuance			\$ -	
Other Financing - Syndication organizational cost	\$ 48,514		\$ -	
Other Financing - Tax opinion			\$ -	
Other Financing - Contractor Guarantee Fee			\$ -	
Other Financing - Developer Guarantee Fee			\$ -	
Other Financing Costs	\$ 140,565		\$ -	
Subtotal Financing Cost	\$ 1,139,556		\$ -	

RESERVES

Rent-up	\$ 183,192			
Operating	\$ 273,570	\$ -	\$ -	
Replacement				
Escrows				
Subtotal Reserves	\$ 456,762	\$ -	\$ -	

TOTAL HOME BUDGET

	\$ 1,550,000	
--	--------------	--

HOME FUNDS DRAWN/REQUESTED TO DATE

	\$ -	
--	------	--

TOTAL HOUSING DEVELOPMENT COSTS

- Commercial Space Costs	\$ 16,351,512	
TOTAL RESIDENTIAL DEVELOPMENT COSTS	\$ 16,351,512	

DDC Merritt Hill Country, Ltd
HOME # 1002298

Exhibit 2 – Invoices Supporting Soft Costs

City of Dripping Springs
511 Mercer Street
Dripping Springs, Texas 78620

DDC Merritt Hill Country, Ltd
1904 W. 34th Street
Austin, Texas 78703

Invoice

RE: Merritt Hill Country Senior Project Parkland Dedication Fees

Merritt Hill Country Parkland Dedication Fees	\$58,929.84
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Total Due City of Dripping Springs	\$58,929.84
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Thank you for your business!

Doug

From: Thompson, Jon <jthompson@cityofdrippingsprings.com>
Sent: Monday, November 09, 2015 3:40 PM
To: Andrea Freiburger; Doug; Haifa Hammami; Whipple, Laurie
Cc: Colby Denison
Subject: RE: Dripping Springs Fee Schedule.

Andrea:

The building permit fee will be \$27,029.30. That is based upon a valuation of \$5,380,212 for the conditioned space and \$845,863 for the unconditioned space. The information that was input into the valuation calculator came from your email below. You figured the ESD # 6 and came up with the number below of \$11,126.76. Please remit these checks with the building permit application and the fire department building plan review application. The application for sprinklers and fire alarms need to be submitted at some point when applicable, and it will need to be remembered that these fees were paid or the applications can be filled out and returned with the plans now if they're ready.

Jon

From: Andrea Freiburger [mailto:andrea@springarchitects.com]
Sent: Monday, November 9, 2015 2:29 PM
To: Thompson, Jon <jthompson@cityofdrippingsprings.com>; Doug <Doug@denisondevelopment.com>; Haifa Hammami <haifa@denisondevelopment.com>; Whipple, Laurie <lwhipple@cityofdrippingsprings.com>
Cc: Colby Denison <colby@denisondevelopment.com>
Subject: RE: Dripping Springs Fee Schedule.

Hi all –

Type of Occupancy: R-2
Type of Construction: V-B and V-A
Conditioned SF: 81,223
Gross SF: 109,241

Fire fees as calculated last week (please check my math!):

$\$180 + (81,223 \text{ sf} * \$0.12) + \$960 \text{ (fire sprinklers)} + \$240 \text{ (fire alarms)} = \$11,126.76$

Jon – I'm not going to make it to 3:00 pm appointment today with Laurie for submittal. How does tomorrow look for the city?

Thanks,
Andrea

Andrea Freiburger, AIA
andrea@springarchitects.com
512-626-2197 mobile

Spring Architects, Inc.
2003 S. Lamar, Suite 9
Austin, TX 78704
512-900-4425

www.springarchitects.com

PURCHASER'S STATEMENT

Date: June 22, 2016

GFNo: 15-0011-D

Sale From: Oryx Holdings LLC
3002 Kerbey Lane
PO Box 302663
Austin, TX 78703

To: DDC Merritt Hill Country, Ltd., a Texas limited partnership

Property: Springlake, Lot 76A-2, 6.82 Acres, Hays County
28865 RR 12
Dripping Springs, TX 78620

Purchase Price **\$1,200,000.00**

Plus: Charges

Filing Fees to Corridor Title Company.....	\$376.00
WD to Corridor Title Company.....	\$38.00
Assignment of leases and rents to Corridor Title Company.....	\$66.00
D/T to Corridor Title Company.....	\$166.00
2nd Lien DOT to Corridor Title Company.....	\$106.00
Loan Charges to Pioneer Bank, SSB.....	\$7,815.00
Origination Fee to Pioneer Bank, SSB.....	\$7,800.00
Wire Fee to Pioneer Bank, SSB.....	\$15.00
Appraisal Fee to Total Appraisal Management and Review.....	\$1,500.00
Flood Certification to CBC Innovis.....	\$10.25
Environmental TSS to Austin EnviroSolutions.....	\$400.00
Appraisal Review to Total Appraisal Management and Review.....	\$650.00
Attorney Fees to Baker & Robertson.....	\$1,350.00
UCC-1 to Secretary of State.....	\$30.00
UCC-1 to Hays County Clerk.....	\$50.00
Fees to Corridor Title Company.....	\$348.32
Escrow Fee to Corridor Title Company.....	\$300.00
E-Recording Fee to Corridor Title Company.....	\$21.32
Courier Fee to Corridor Title Company.....	\$27.00
State of Texas Policy Guaranty Fee to Texas Title Insurance Guaranty Association.....	\$3.00
Title Insurance to Corridor Title Company.....	\$2,332.45
Simultaneous w/OP to Corridor Title Company.....	\$100.00
Survey Amendment (OTP only) to Corridor Title Company.....	\$1,015.95
REM OTP T-19.1 nonres w/Amd to Corridor Title Company.....	\$677.30
T-19.2 OTPMin&Surf.Damage to Corridor Title Company.....	\$50.00
Tax deletion (MTP & BINDER ONL to Corridor Title Company.....	\$20.00
Not yet due/payable (MTP & BIN to Corridor Title Company.....	\$5.00
T19 Non-Res. Endorsemen to Corridor Title Company.....	\$464.20
Moving of Propane Tank and City of Dripping Springs Review Fee.....	\$8,257.37

Reimbursement for assignment of 30 wastewater LUEs & assoc. delayed conn. fees **\$249,900.00**

Total Charges **\$273,022.39**
Gross Amount Due By Purchaser **\$1,473,022.39**

Less: Credits

2nd Lien Seller Financing.....	\$587,659.77
County property taxes.....	From 1/1/2016 thru 6/24/2016 \$3,362.62
Earnest Money.....	\$2,000.00

Loan Amount from Pioneer Bank, SSB	\$780,000.00
Earnest Money Released to Seller	\$100,000.00


Total Credits	\$1,473,022.39
Balance Due by Purchaser	\$0.00

Purchaser understands the Closing or Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof. The lender involved may be furnished a copy of this statement.

Purchaser understands that tax and insurance prorations and reserves were based on figures for the preceding year or supplied by others or estimates for the current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller direct.

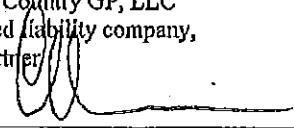
The undersigned hereby authorizes Corridor Title LLC to make expenditure and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of Loan Funds, if applicable, in the amount shown above and a receipt of a copy of this Statement

Corridor Title LLC

By: 
 Brandi Wheeler

DDC Merritt Hill Country, Ltd.
a Texas limited partner

By: DDC Merritt Country GP, LLC
a Texas limited liability company,
its general partner

By: 
 Colby Denison, Authorized Representative

6b

**TO BE POSTED NOT LATER THAN THE
THIRD DAY BEFORE THE DATE OF
THE MEETING**