

AGENCY STRATEGIC PLAN

FOR THE FISCAL YEARS 2009–13 PERIOD

BY

The Texas Department of Housing and Community Affairs

Board Chair
Mr. C. Kent Conine

Term
9/14/1997 – 1/31/2013

Home Town
Dallas, Texas

Date of Submission
July 11, 2008

SIGNED: _____
Michael Gerber, TDHCA Executive Director

APPROVED: _____
C. Kent Conine, TDHCA Board Chair

Prepared by the TDHCA Housing Resource Center
PO Box 13941, Austin, TX 78711-3941
Phone: (512) 475-3976 Fax: (512) 469-9606 email: info@tdhca.state.tx.us

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INTRODUCTION

“Beginning in 1991, Texas embarked on a comprehensive strategic planning process for all state agencies within the executive branch of government. House Bill 2009, Seventy-second Legislature, Regular Session, 1991, which inaugurated the process, established the requirements and time frame under which Texas completed its first planning cycle.

House Bill 2009 was subsequently codified as Chapter 2056 of the Government Code.

In 1993, Chapter 2056 of the Government Code was amended to consolidate certain planning requirements and to change the required planning horizon from six years to five years (i.e., the second year of the current biennium and the next two biennia). Agencies must complete and submit plans every two years; however, they may engage in planning on a continual basis and may adjust plans internally as changing conditions dictate.

Strategic planning is a long-term, iterative, and future oriented process of assessment, goal setting, and decision-making that maps an explicit path between the present and a vision of the future. It includes a multiyear view of objectives and strategies for the accomplishment of agency goals. Clearly defined outcomes and outputs provide feedback that leads to program performance that influences future planning, resource allocation, and operating decisions. The strategic planning process incorporates and sets direction for all agency operations.

A Strategic Plan is a formal document that communicates an agency’s goals, directions, and outcomes to various audiences, including the Governor and the Legislature, client and constituency groups, the general public, and the agency’s employees.”¹

The Texas Department of Housing and Community Affairs (TDHCA or Department) Strategic Plan for Fiscal Years 2009–2013 (the Plan) outlines its approach to addressing the affordable housing and community service needs of lower income Texans. The Plan was developed within the context of the State’s overall goals and budget to generate specific outcomes that tie directly to the Department’s budget structure. TDHCA will use the Plan to help meet needs of the citizens of Texas through sound, transparent, accountable, and effective actions.

¹ From the “Introduction” to the Instructions for Preparing and Submitting Agency Strategic Plans Fiscal Years 2009-2013.

STATEWIDE VISION, MISSION, AND PHILOSOPHY

THE VISION FOR TEXAS STATE GOVERNMENT

“Working together, I know we can accomplish our mission and address the priorities of the people of Texas. My administration is dedicated to creating greater opportunity and prosperity for our citizens, and to accomplish that mission, I am focused on the following critical priorities:

- *Assuring open access to an educational system that not only guarantees the basic core knowledge necessary productive citizens but also emphasizes excellence and accountability in all academic and intellectual undertakings;*
- *Creating and retaining job opportunities and building a stronger economy that will lead to more prosperity our people and a stable source of funding for core priorities;*
- *Protecting and preserving the health, safety, and well-being of our citizens by ensuring healthcare is accessible and affordable and by safeguarding our neighborhoods and communities from those who intend us harm;*
- *Providing disciplined, principled government that invests public funds wisely and efficiently. I appreciate your commitment to excellence in public service.”*

RICK PERRY

Governor of Texas²

THE MISSION OF TEXAS STATE GOVERNMENT

“Texas state government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

Aim high...we are not here to achieve inconsequential things!”³

THE PHILOSOPHY OF TEXAS STATE GOVERNMENT

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise we will promote the following core principles:

- *First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.*
- *Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.*
- *Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.*
- *Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a*

² Instructions for Preparing and Submitting Agency Strategic Plans Fiscal Years 2009-2013.

³ Instructions for Preparing and Submitting Agency Strategic Plans Fiscal Years 2009-2013.

sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.

- *Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.*
- *State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse, and providing efficient and honest government. Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.⁴*

Descriptions of ways TDHCA works to fulfill the Vision, Mission, and Philosophy of Texas State Government are provided in the following section which details TDHCA's impact on the corresponding statewide goals and benchmarks for Texas State Government.

⁴ Instructions for Preparing and Submitting Agency Strategic Plans Fiscal Years 2009-2013.

RELEVANT STATEWIDE GOALS AND BENCHMARKS

TDHCA's strategies directly or peripherally impact the following statewide goals and associated benchmarks.

EDUCATION - PUBLIC SCHOOLS

Priority Goal

To ensure that all students in the public education system acquire the knowledge and skills to be responsible and independent Texans by:

- ensuring students graduate from high school and are ready for college, a two-year institution, other post-secondary training, or the workforce;
- continuing to develop reading, math, and science skills at appropriate grade level through graduation; and
- demonstrating exemplary performance in foundation subjects.

Benchmarks

- High school graduation rate
- Percent of students who demonstrate satisfactory performance on the Texas Assessment of Knowledge and Skills
- Percent of students from third grade and above who are able to read at or above grade level
- Percent of students from third grade and above who perform at or above grade level in math
- Percent of students who achieve mastery of the foundation subjects of reading, English language arts, math, social studies, and science

The provision of affordable and safe housing affects family stability and childhood outcomes. Residing in substandard housing exposes families to hazards such as lead paint that can limit lifelong educational and economic achievement.⁵ The presence of dust, molds, and roach allergens in the home increases the incidence of asthma and allergies which leads to increased absences from school. The inability to make rent or mortgage payments on a consistent basis means families may frequently move in response to changes in the family's financial situation. Disruptive moves during childhood and adolescence negatively impact school performance.⁶ When families struggle to satisfy their daily needs, school performance declines. Overcrowded housing conditions also adversely impact childhood development. Ensuring that students have stable living environments is crucial to their success at school.

TDHCA addresses the priority goals and benchmarks in the following ways.

- TDHCA activities result in lower rental and mortgage payments for families, repairs to and replacement of substandard housing, and reduced utility payments. This assistance helps

5 Centers for Disease Control, "Blood Lead Level in Young Children 1996-1999," Morbidity and Mortality Weekly (December 22, 2000).

6 Robert Haveman, Barbara Wolf, and James Spaulding, "Childhood Events and Circumstances Influencing High School Completion," Demography 28:1 (1991): 133-57. U.S. General Accounting Office, Elementary School Children: May Change Schools Frequently, Harming Their Education (Washington, D.C.: GAO/HEHS-94-45, 1994).

families provide a safe and stable home environment for their children – conditions that are conducive to promoting educational achievement.

- In addition to providing housing that is safe, decent, and affordable, TDHCA activities often provide supportive services and amenities that are geared towards helping educate children. Examples of this assistance include supportive services provided by rental housing developments and community action agencies that TDHCA has funded. Such services include class room space and equipment, nutrition, after school care, computer training, and health and human services care for children that help eliminate barriers to educational success.
- Through the Emergency Shelter Grants Program TDHCA funds organizations providing homelessness prevention activities by assisting families that are homeless or threatened with homelessness.

HEALTH AND HUMAN SERVICES

Priority Goal

To promote the health, responsibility, and self-sufficiency of individuals and families by:

- making public assistance available for those most in need through an efficient and effective system; and
- continuing to create partnerships with local communities, advocacy groups, and the private and not-for-profit sectors.

Benchmarks

- Percent of long-term care clients served in the community
- Percent of adult welfare participants in job training who enter employment
- Percent of Texas population receiving food stamps
- Incidence of confirmed cases of abuse, neglect, or death of children, the elderly, or spouses per 1,000 population
- Rate of substance abuse and alcoholism among Texans
- Percent of people completing vocational rehabilitation services and remaining employed

TDHCA addresses the priority goals and benchmarks in the following ways.

- Housing opportunities for people with disabilities are often restricted by low incomes. The 2000 census estimates that 553,934 disabled individuals over age five live below the poverty level in Texas. Many people with disabilities may be unable to work, and receive Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits as their principal source of income. TDHCA's rental assistance vouchers provided through the US Department of Housing and Urban Development's (HUD) HOME and Housing Choice Voucher (Section 8) programs can be used to help people live independently and remain in their own homes. To help persons with special needs own their own homes, TDHCA has made available HOME Program funds to help persons with disabilities purchase a home, access homebuyer education, access down payment and closing cost assistance, and receive funding for architectural barrier removal.
- TDHCA's multifamily properties offer valuable services to tenants that range from job training programs, computer labs, and literacy programs, to matched savings plans that can be used to fund educational opportunities. Local community action agencies funded through

Relevant Statewide Goals and Benchmarks

TDHCA's Community Services Block Grant Program, Comprehensive Energy Assistance Program, and other community affairs programs provide essential services, including access to child care, transportation, job training and employment services, utility assistance, and educational programs. These activities are of great value to persons trying to improve their chance of getting and keeping a job and help promote long term self sufficiency.

- Battered women who live in poverty are often forced to choose between staying in abusive relationships or homelessness. According to the National Coalition for the Homeless, half of women with children experiencing homelessness left their last place of residence because of domestic violence. In 2006, there were 186,868 reported family violence incidents in Texas. Through TDHCA's community services programs, many victims of domestic violence are able to access shelter and supportive services that help them become self sufficient.
- The US Conference of Mayors survey reports that 30 percent of homeless persons has an addiction disorder.⁷ The Texas Department of State Health Services reports that, of adult clients admitted to TCADA-funded programs in 2006, 12 percent were homeless.⁸ Homeless persons with substance abuse problems may require supportive services. Through the Emergency Shelter Grants Program (ESGP), TDHCA funds organizations that provide shelter and related services for homeless persons, as well as intervention services to persons threatened with homelessness. Activities include renovating buildings for use as shelters; medical and psychological counseling; assistance in obtaining permanent housing; and homeless prevention services, such as rent and utility assistance. In addition, the TDHCA Housing Tax Credit program has funded Single Room Occupancy developments that serve the extremely low-income population that is previously homeless or at risk of homelessness.

ECONOMIC DEVELOPMENT

Priority Goal

To provide an attractive economic climate for current and emerging industries that fosters economic opportunity, job creation, capital investment, and infrastructure development by:

- promoting a favorable and fair system to fund necessary state services;
- addressing transportation needs;
- promoting a favorable business climate; and
- developing a well trained, educated, and productive workforce.

Benchmarks

- Number of employees in targeted industry sectors
- Number of new non-government, non-farm jobs created
- Per capita gross state product
- Texas unemployment rate
- Number of Texans receiving job training services

⁷ National Coalition for the Homeless, *Who is Homeless?*

⁸ Texas Department of State Health Services, "Characteristics of Adult Clients at Admission to State-Funded Treatment Programs by Drug Type" <http://www.dshs.state.tx.us/sa/Research/statewide-totals/> (accessed May 30, 2008).

The provision of affordable housing also has an economic impact on communities. As is the case with market rate real estate production, an economic benefit accompanies the construction of affordable housing. Construction directly creates jobs, wages, and tax revenues. It also provides indirect economic benefits as the construction creates demand for goods and services. According to a study by the National Association of Home Builders,⁹ the construction of:

- 100 single-family homes generates 284 full-time local jobs; \$16 million in local income; and \$1.8 million in taxes and other revenue for local governments.
- 100 multifamily units generates 133 full-time local jobs; \$7 million in local income; and \$710,000 in taxes and other revenue for local governments.

The economic growth of communities can be adversely impacted when job growth is not matched with corresponding growth in affordable housing opportunities. For businesses, the ability to attract and retain labor is partly dependent on the availability of decent and affordable housing.¹⁰ As expressed at many TDHCA public hearings, affordable housing's affect on economic development is of particular concern to rural areas. The relative geographic isolation of some rural communities means they cannot rely on nearby communities for housing that can help support their growth opportunities.

A report from the Joint Center for Housing Studies of Harvard University¹¹ sums it up well: *“Housing is just as important to communities, because livability and competitiveness go hand in hand. Communities that can attract and retain investment and labor are more likely to succeed in the evolving global economy. Simply put, a suitable living environment is a precursor to economic vitality. So, too, is decent housing. Housing that is excessively costly for the local workforce undermines workers’ ability to afford the basic necessities of food, clothing, childcare, health care, and education.”*

Communities that want to be competitive or regain their competitiveness must provide housing for the full range of workers, from middle-income households and high-end earners to those in the moderate- and lower income range. Achieving a jobs-housing balance that preserves economic diversity is key to success.”

TDHCA addresses the priority goals and benchmarks in the following ways.

- The following table shows TDHCA funding allocated during fiscal year 2007 and the corresponding number of housing units to be built or rehabilitated. As described above, this activity has a significant economic impact in the communities where the construction will occur.

⁹ National Association of Homebuilders, “The Local Impact of Homebuilding,” <http://www.nahb.org/generic.aspx?sectionID=784&genericContentID=35601> (Accessed 5/30/08).

¹⁰ Center for Housing Policy, “Paycheck to Paycheck”, <http://www.nhc.org/chp/p2p/> (Accessed 5/30/08)

¹¹ Jack F. Kemp, Kent W. Colton, Henry G. Cisneros, Nicolas P. Retsinas, *Opportunity and Progress, A Bipartisan Platform For National Housing Policy, Special Preview Edition* (Cambridge, Massachusetts: Joint Center for Housing Studies of Harvard University, 2004), 3.

Relevant Statewide Goals and Benchmarks

Household Type	Activity	Committed Funds	# of Units Constructed or Renovated
Renter	New Construction	\$168,850,824	9,081
	Rehab. Construction	\$36,490,721	3,517
Owner	Rehabilitation Assistance	\$21,172,691	378

- In addition to the economic benefits derived from constructing housing units with the help of TDHCA resources, as described in the “Health and Human Services” goals and benchmarks section of this report, the rental development and community services programs help persons in need by providing essential employment related services. These services include access to computers, the internet, child care, transportation, job training and employment services, and education services.
- Local governments, organizations, and developers receiving TDHCA funds typically use local labor and companies to complete the work, thus supporting the local economy. For example, local community action agencies operating the Weatherization Assistance Program use local contractors to make energy efficient repairs and improvements.

REGULATORY
Priority Goal

To ensure Texans are effectively and efficiently served by high-quality professionals and businesses by:

- implementing clear standards;
- ensuring compliance;
- establishing market-based solutions; and
- reducing the regulatory burden on people and business.

Benchmarks

- Percent of state professional licensee population with no documented violations
- Percent of new professional licensees as compared to the existing population
- Percent of documented complaints to professional licensing agencies resolved within six months
- Percent of new and renewed professional licenses issued via internet
- Percent of state financial institutions and credit providers rated “safe and sound” and/or in compliance with state requirements
- Percent increase in utilization of the state business portal

TDHCA addresses the priority goals and benchmarks in the following ways.

- TDHCA’s Portfolio Management and Compliance Division (PMC), in coordination with agency programs, ensures that compliance with federal and state programs is achieved. PMC focuses on maintaining required long term affordability standards, justifying tenant income certification records. PMC also works closely with the program areas to ensure that applicants for funding who have previously received assistance from TDHCA are in compliance with the terms and requirements of those contracts.

- The Manufactured Housing Division (MHD) licenses and regulates those who manufacture, sell, broker, and install manufactured homes. MHD issues and maintains records on manufactured home ownership and location, inspects manufactured home installations, and investigates and oversees the resolution of consumer complaints. It maintains offices in Austin, Dallas/Ft. Worth, Houston, San Antonio, Lubbock, Tyler, Waco, and Edinburg, as well as offers professional license renewals through Texas Online. The Manufactured Housing Division also licenses and inspects migrant farmworker housing facilities and assist the Compliance Division in inspecting TDHCA-monitored multifamily properties.
- Regarding the soundness of financial institutions and credit providers, the Financial Service, Bond Finance, and Single Family Finance Production divisions offer current and future first time home buyers the ability to purchase homes at below market rate with down payment assistance without affecting state debt. Standard & Poor's has awarded TDHCA Bonds with the highest bond rating as a result of efficient and effective accounting practices and for having a low cost of issuance per bond.

GENERAL GOVERNMENT

Priority Goal

To provide citizens with greater access to government services while reducing service delivery costs and protecting the fiscal resources for current and future taxpayers by:

- supporting effective, efficient, and accountable state government operations;
- ensuring the state's bonds attain the highest possible bond rating; and
- conservatively managing the state's debt.

Benchmarks

- Total state spending per capita
- Percent change in state spending, adjusted for population and inflation
- Ratio of federal dollars received to federal tax dollars paid
- Number of state employees per 10,000 population
- Number of state services accessible by internet
- Total savings realized in state spending by making reports/documents/processes available on the internet
- Affordability of homes as measured by the Texas Housing Affordability Index

TDHCA addresses the priority goals and benchmarks in the following ways.

- TDHCA ensures that all programs follow the citizen participation and public hearing requirements as outlined in the Texas Government Code. Hearing locations are accessible to all who choose to attend and are held at times accessible to both working and non-working persons. A database has been developed that includes citizen and nonprofit organizations, local governments, state legislators, public housing authorities, and local public libraries so that, when a public hearing or public comment period is scheduled, all interested parties are notified. Additionally, pertinent information is posted in the Texas Register, in *Breaking Ground* (the TDHCA newsletter), and on TDHCA's website. Participation and comments are encouraged and can be submitted either at a public hearing or in writing via mail, fax, email, and, in some cases, directly at the TDHCA website.

Relevant Statewide Goals and Benchmarks

- TDHCA 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 TDHCA's policies, rules, planning documents, and programs, TDHCA has consolidated most of its public hearings related to policy and rule development. Each year, a hearing on all TDHCA programs will be held in each State Service Region the Department uses for planning and reporting purposes. After the regional hearings are held, a separate Board hearing is held specifically on the State Low Income Housing Plan, TDHCA's key annual planning and policy document, so comment may be provided directly to the Board. Staff is available at each hearing to answer questions and lend technical assistance to attendees.
- All TDHCA program funds are distributed and used with the intention of delivering the highest possible level of assistance. Before being recommended to the Board for approval, all multifamily housing production applications are thoroughly underwritten by the Real Estate Analysis Division to ensure the proposed activity is both financially feasible and uses the minimum required amount of assistance. All of the Department's internal operations are thoroughly scrutinized by funding source reporting requirements, internal and external audits, and the LBB budgeting and performance measurement system to provide for the most efficient and effective provision of services.
- In support of the agency mission, TDHCA has a strong commitment to providing the citizens of Texas open, online access to information about every agency program and service through detailed web pages, a posted library of agency publications, and customer search tools to find local assistance providers for buying homes, renting, home repair and weatherization, and utility bill payments.
- The TDHCA Interactive page is the website's portal to online services. In addition to the services mentioned above, the Interactive page provides a link to the Manufactured Housing online database of ownership, license, installation, and inspections records. It also includes a Contractor Tools section, which provides both housing and community affairs program subrecipients access to systems for reporting and maintaining contract and compliance data.
- Virtually every report or document that TDHCA produces is available on the website. In the six months from November 2007 to April 2008, the public website received approximately 218,000 visitors. During the same period visitors requested an estimated 627,000 pages including PDF document files. The Manufactured Housing online database garnered an estimate number of 32,000 visitors and 450,200 page requests by Web visitors for the period. In addition, the Division of Policy and Public Affairs' Information Clearinghouse accommodated a total amount of 25,300 visitors and 23,170 page requests.
- Through the Central Database project, TDHCA automated the processes associated with contract management, draw requests, and compliance reporting. TDHCA housing program personnel administer 2,252 contracts in the TDHCA Contract System (515 contracts with a status other than closed), and over 1,600 accounts are in place for subrecipients who submit electronic contract activity setups and draw requests. Additionally, there are currently 2,463 accounts in place for property owners and managers who submit online status reports on 1,964 active properties with over 216,958 units through the Compliance Monitoring and Tracking System.

Relevant Statewide Goals and Benchmarks

- While TDHCA's activities do not directly impact the Texas housing affordability index, which is based on local area income levels and home prices, its single family loan products certainly allow many more people to buy their own home than would otherwise be possible.

TDHCA MISSION

To help Texans achieve an improved quality of life through the development of better communities.

TDHCA PHILOSOPHY

CUSTOMERS

- **Advocacy:** The Department will actively encourage, support, and promote an improved quality of life for extremely low, very low, low, and moderate income Texans.
- **Service:** The Department will be responsive to every constituent request and provide every customer with prompt, courteous service.
- **Partnership:** The Department will foster an atmosphere that is conducive to encouraging and forming public and private partnerships that are responsive to the needs of extremely low, very low, low, and moderate income Texans.
- **Equity:** The Department will establish processes for the public's full participation in programs and the fair allocation of resources.
- **Respect:** The Department believes in the worth of all persons and their need for decent, safe, and affordable housing.

OPERATIONS

- **Integrity:** The Department will conduct business openly, free of bias, and according to the highest ethical and professional standards.
- **Accountability:** The Department will be answerable and responsive to the Texas Legislature, external customers/consumers, and its various funding sources.
- **Efficiency:** The work of the Department will be accomplished in the most direct, cost-effective manner.
- **Leveraging:** Each program will encourage the public and private sector to contribute additional resources that maximize the economic impact of and expand the level of assistance provided by state and federal dollars.

STAFF

- **Quality:** Each employee will strive for excellence in the work performed.
- **Creativity:** Department staff will continually seek innovative methods for performing work in their respective fields.
- **Respect:** The Department recognizes that its employees are the critical element in accomplishing its mission and goals. Therefore, it pledges to support their continued professional development and provide opportunities for reward based on their performance. In doing so, it also pledges to promote a collaborative and positive work environment for all employees.

EXTERNAL/INTERNAL ASSESSMENT

I. OVERVIEW OF AGENCY SCOPE AND FUNCTIONS

A. Statutory Basis

Chapter 2306 of the Texas Government Code outlines the functions of TDHCA as follows:

Sec. 2306.001. Purposes. The purposes of the department are to:

- 1) *assist local governments in*
 - A) *providing essential public services for their residents; and*
 - B) *overcoming financial, social, and environmental problems;*
- 2) *provide for the housing needs of individuals and families of low and very low income and families of moderate income;*
- 3) *contribute to the preservation, development, and redevelopment of neighborhoods and communities, including cooperation in the preservation of government-assisted housing occupied by individuals and families of very low and extremely low income;*
- 4) *assist the governor and the legislature in coordinating federal and state programs affecting local government;*
- 5) *inform state officials and the public of the needs of local government;*
- 6) *serve as the lead agency for:*
 - A) *addressing at the state level the problem of homelessness in this state;*
 - B) *coordinating interagency efforts to address homelessness; and*
 - C) *addressing at the state level and coordinating interagency efforts to address any problem associated with homelessness, including hunger.*
- 7) *serve as a source of information to the public regarding all affordable housing resources and community support services in the state.*

B. Historical Perspective

The following events have shaped TDHCA's current organizational structure and program responsibilities.

- In 1991, the 72nd Texas Legislature created TDHCA 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.
- On September 1, 1995, in accordance with House Bill 785, regulation of manufactured housing was transferred to the Department.
- On September 1, 2001, in accordance with House Bill 7, the CDBG and Local Government Services programs were transferred to the newly created Office of Rural Community Affairs (ORCA). However, TDHCA, through an interagency contract with ORCA, administers 2.5 percent of the CDBG funds used for the Self-Help Centers along the Texas-Mexico border.
- Also on September 1, 2001, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA.

- In a recent effort to improve efficiency and effectiveness, the Department implemented a significant reorganization of certain housing related activities and administrative structures.
- TDHCA's programs continue to evolve in response to statutory changes, federal program changes, and public participation.

C. Affected Populations

As established by §2306.001(2), TDHCA is to "provide for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income..." Per Section 2306.004, individuals and families of the following:

- "extremely low income" earn not more than 30 percent of the area median income or applicable federal poverty line, as determined under Section 2306.123 or Section 2306.1231.
- "very low income" earn not more than 60 percent of the area median income or applicable federal poverty line, as determined under Section 2306.123 or Section 2306.1231.
- "low income" earn not more than 80 percent of the area median income or applicable federal poverty line, as determined under Section 2306.123 or Section 2306.1231,

Section 2306.004 also defines "'Family of moderate income" to be a family:

"(A) that is determined by the board to require assistance, taking into account:

(i) the amount of the total income available for housing needs of the individuals and families;

(ii) the size of the family;

(iii) the cost and condition of available housing facilities;

(iv) the ability of the individuals and families to compete successfully in the private housing market and to pay the amounts required by private enterprise for sanitary, decent, and safe housing; and

(v) standards established for various federal programs determining eligibility based on income; and

(B) that does not qualify as a family of low income."

For the single family bond funded loans, moderate income would include homebuyers with household incomes up to 115 percent of the area median family income and 140 percent of the area median family income for targeted areas.

Within these income categories, there are households that have special needs which further complicate their ability to find housing. The US Department of Housing and Urban Development (HUD) has designated the homeless, persons with disabilities, the elderly, persons with alcohol and/or drug addictions, persons with HIV/AIDS, and public housing residents as special needs populations requiring special attention. TDHCA also considers colonia residents and migrant farmworkers to be special needs populations with unique needs.

The varying state and federal income categories can cause some confusion when TDHCA reports on the income levels of its assistance recipients in documents with different audiences such as the State Low Income Housing Plan, LBB Performance Measures, and the HUD Consolidated Planning documents.

D. Main Functions

To achieve its mission, TDHCA provides the following types of assistance.

Housing and Community Services Assistance

Types of housing and community services assistance may include:

- housing assistance for individual households (homebuyer mortgage and down payment assistance, home repair, and rental payment assistance);
- funding for the development of apartments (new construction or rehabilitation of rental units);
- energy assistance (utility payments or home weatherization activities);
- assistance for homeless persons and emergency relief for individuals or families in crisis poverty (transitional housing, energy assistance, home weatherization, health and human services, child care, nutrition, job training and employment services, substance abuse counseling, medical services, and other emergency assistance); and
- capacity building assistance (training and technical assistance, assistance with operating costs, and predevelopment loans to help local housing organizations develop housing).

With the exception of most of its community services assistance, TDHCA's funding resources are awarded through formal, published processes. As such, funding is distributed to entities that, in turn, provide assistance to households in need. This distribution is done using a number of techniques.

- Almost all housing development, rehabilitation, and rental assistance related funding is awarded through formal request for proposals and notices of funding availability.
- First time homebuyer mortgage and down payment assistance is allocated through a network of participating lenders.
- Community services funds are predominantly allocated through a network of community based organizations who receive their funding on an annual, ongoing basis.

Funding for the services listed above include the US Department of Housing and Urban Development (HUD), US Department of Treasury (DoT), US Department of Health and Human Services (DHHS), and US Department of Energy (DoE), and Texas general revenue funds.

Manufactured Housing Activities

TDHCA's Manufactured Housing Division (MHD)¹² administers the Texas Manufactured Housing Standards Act. The act ensures that manufactured homes are well-constructed and

¹² The Manufactured Housing Division is an independent entity within TDHCA that is administratively attached, but has its own Board of Directors and Executive Director.

safe, are installed correctly, that consumers are provided fair and effective remedies, and that measures are taken to provide economic stability for the Texas manufactured housing industry. MHD's services include issuances of Statement of Ownership and Location (SOL) research; training and license issuances to individuals for manufactured housing manufacturing, retailing, rebuilding, installations, broker, or sales; records and releases on tax and mortgage liens; installation inspections; consumer complaints; and federal oversight under a cooperative agreement with HUD.

Information Resources

TDHCA is a housing and community services informational resource for individuals, local governments, the Legislature, community organizations, advocacy groups, and members of the housing development community. Examples of information it provides include: general information on TDHCA activities, US Census data analysis, and consumer information on available housing and supportive service assistance statewide. A primary method by which this information is made available is TDHCA's interactive consumer assistance website at http://www.tdhca.state.tx.us/assist_main.htm.

In all of its activities, 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. *Table 1. Summary of TDHCA Functions* briefly describes the activities assisted by and households served by each TDHCA program.

E. Public Perception

TDHCA is seen as a financial and administrative resource that helps provide essential services and affordable housing opportunities to Texans who qualify for this assistance based on their income level. Additionally, the Department is seen as a resource for educational materials and technical assistance for housing, housing related, and community services matters.

A common misperception is that TDHCA has regulatory authority over all aspects of housing throughout the state, from homeowners associations to the home building industry. As a result, requests are often made to intercede in issues that are not related to departmental business. There is also some confusion regarding the roles, duties, and jurisdictions of TDHCA and federal, state, and local housing agencies. TDHCA staff seeks to clarify the Department's role through its website and publications, and by directing inquiries to appropriate service providers.

TDHCA is perceived as an organization that focuses on providing affordable housing assistance to very low income and low income persons and families. The basic structures of its largest multifamily rental funding sources, Housing Tax Credit and Multifamily Bond programs, mainly serve households at or below 50 and 60 percent of the area median income. Those developments that are able to utilize very limited funds from another

affordable housing program, such as the HOME program, are often able to reach households with even lower incomes.

Table 1: Summary of TDHCA Functions

Activity	Program	Program Description	Eligible Households
Multifamily Development	HOME Investment Partnerships Program (HOME)	Loans or grants to develop or preserve affordable rental housing	<80% AMFI
	Housing Trust Fund (HTF)	Loans or grants for rental housing development, predevelopment, and other industry innovations	<80% AMFI
	Housing Tax Credit (HTC)	Tax credits to develop or preserve affordable rental housing	<60% AMFI
	Multifamily Bond (MFB)	Loans to develop or preserve affordable rental housing	<60% AMFI
	Community Development Block Grant (CDBG)	Targeted disaster recovery assistance to preserve affordable rental housing	<80% AMFI
Rental Assistance	HOME Program	Loans for entities to provide tenant-based rental assistance for two years	<80% AMFI
	Section 8 Housing Choice Vouchers	Acts as a public housing authority to offer tenant-based rental assistance vouchers in certain areas	<50% AMFI
Single Family Development	HOME Program	Loans or grants for entities to construct single family housing and offer down payment assistance	<80% AMFI
	Colonia Model Subdivision	Loans for Community Housing Development Organizations (CHDOs) to develop residential subdivisions as an alternative to colonias	<60% AMFI
Home Purchase Assistance and Home Repair Assistance	Contract for Deed Conversion Initiative	Facilitates colonia-resident ownership by converting contracts for deed into traditional mortgages	<60% AMFI
	Grant Assistance	Grants in conjunction with the First Time Homebuyer Program for down payment and closing costs	<80% AMFI
	HOME Program	Loan and grants for entities to offer down payment and closing cost assistance	<80% AMFI
	HOME Program	Loans and grants for entities to provide home repair assistance	<80% AMFI
	Lone Star Loan	Market-rate loans with second liens for down payment assistance	<115% AMFI
	Mortgage Credit Certificate	Annual tax credit based on the interest paid on the homebuyer's mortgage loan	<115% AMFI
	Texas Bootstrap Loan	Funds entities to offer owner-builder loans programs	<60% AMFI
	Texas First Time Homebuyer	Low-interest loans for first time homebuyers	<115% AMFI
Homebuyer Education	Community Development Block Grant (CDBG)	Targeted disaster recovery funding to provide home repair assistance	<80% AMFI
	Colonia Consumer Education Services	Homebuyer education offered through Colonia Self-Help Centers and Office of Colonia Initiatives (OCI) field offices	<115% AMFI (All)
Homebuyer Education	Texas Statewide Homebuyer Education	Training for nonprofits to provide homebuyer education	<115% AMFI (All)
	Community Affairs Activities	Community Services Block Grant (CSBG)	Funds local agencies to provide essential services and poverty programs
Emergency Shelter Grants (ESGP)		Funds entities to provide shelter and related services to the homeless	<30% AMFI (Homeless)
Comprehensive Energy Assistance (CEAP)		Funds local agencies to offer energy education, financial assistance, and HVAC replacement	<50% AMFI
Weatherization Assistance (WAP)		Funds local agencies to provide minor home repairs to increase energy efficiency	<50% AMFI
Manufactured Housing	Manufactured Housing Division	Regulates the manufactured housing industry. Licenses manufactured housing professionals, titles homes, inspects homes, and investigates manufactured housing complaints.	All

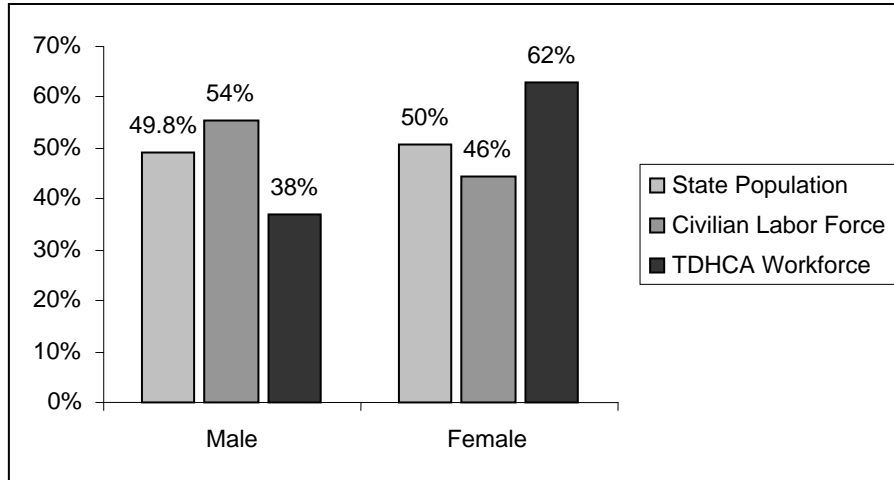
At times, a conflict exists between the actual characteristics of and the public perception of “affordable housing.” This conflict is fed by some public perceptions as to the residents’ income levels and employment status; construction quality, design, and density of the developments; and socio-economic impacts on the surrounding neighborhood. TDHCA is sometimes perceived as placing affordable rental housing in neighborhoods without adequately addressing the concerns of area residents. Because the development of any type of housing involves partnerships between the community, developers, and government, the Board and TDHCA staff go to great lengths to encourage developers to communicate and work with neighborhood groups to ensure their voice is heard throughout the process. TDHCA takes seriously its obligation to evaluate community input on funding decisions, including making neighborhood input a scoring criterion for the HTC Program. Public comment is solicited throughout the state as part of the housing application process, and public comment is taken before and during each Board meeting. This comment is balanced with the goal of ensuring that low income Texans have opportunities to live in desirable parts of their community with access to the area’s employment, educational, health, and social amenities.

II. ORGANIZATIONAL ASPECTS

A. Size and Composition of Workforce

As of May 1, 2008, TDHCA had a total headcount of 285 employees. The agency is authorized to have 298 total full-time equivalents (FTEs). Additionally, TDHCA was allocated funds for the Community Development Block Grant (CDBG) disaster recovery program as part of the disaster relief efforts after Hurricane Rita. There are 12 FTEs that are budgeted for this program currently. Out of the 285 employees there are 10 FTEs allocated as part of the CDBG disaster recovery relief program. These FTEs are not counted as part of the FTE cap per Article IX under “federally funded” rule but are included in the FTE count for EEO reporting purposes. These FTEs are considered temporary positions and will be part of TDHCA for at least the next biennium or until federal disaster funds are expended.

The following charts profile TDHCA’s workforce and include both full-time and part-time employees. The TDHCA workforce is comprised of 38 percent males and 62 percent females. As shown in the table below, the TDHCA workforce has a higher representation of female workers than the state population and civilian workforce.



Workforce by Age

Approximately 62 percent of TDHCA’s workforce is over the age of 40. This indicates that the workforce has a high level of overall work experience. TDHCA continues to be successful in the recruitment and retention of employees in this age group. The average age of TDHCA employees is 44.

Employee Tenure

Approximately 46 percent of TDHCA employees have less than 5 years of TDHCA service, 25 percent with 6-10 years of experience, 23 percent with 11-15 years of experience, and 6.3 percent with more than 15 years experience. The average number of years of service for Department employees is 11 years. TDHCA continually strives to ensure that employees are appropriately compensated; to improve internal communications through a variety of venues; to promote training and career development; and coordinate employee service recognition activities to motivate employees and to improve employee retention.

Age		
Age Group	Population	Percentage
Under 30	21	7.4%
30-39	87	31%
40-49	84	29.4%
50 – 59	77	27%
60 and over	16	5.6%
Total	285	

As of April 30, 2008

Employee Tenure		
Tenure Range	# of Employees	% of Total
<1 year	35	12.3%
1 – 5	97	34%
6 – 10	71	25%
11 – 15	66	23%
16 – 20	11	3.9%
21 – 25	3	1.1%
26 – 30	2	07%
30 +	-	-
Totals	285	100%

As of April 30, 2008

TDHCA’s Workforce and the Statewide Civilian Workforce

The tables and charts that follow compare the percentage of African American, Hispanic, and Female TDHCA employees (as of April 30, 2008) to the statewide civilian workforce as reported by the Texas Workforce Commission Civil Rights Division. Overall, the race and ethnic composition of the TDHCA workforce is very diverse and exceeds the state percentages.

However, there are four areas where TDHCA’s Equal Employment Opportunity (EEO) employment percentages are less than the state’s percentages:

- Female Technicians (The presence of under-representation in this category is thought to be caused in large part by the small number of employees in this category).
- Female-Official/Administration (This category shows a slight under-representation, less than one percent, for females as compared to the state).
- African American-Official Administration
- African-American Technicians

TDHCA targets recruitment resources that reach out to the workforce in the under-represented categories so that the applicant pool represents the ethnicity and gender to meet EEO goals of the state.

Description of TDHCA Workforce by Ethnicity and Gender

Equal Employment Opportunities (EEO) Categories*	African American		Hispanic		White		Other		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
A - Administrators and Officials	-	-	3		9	7	-	-	12	7
P - Professionals	7	22	19	54	31	56	1	6	58	138
T - Technician	3	-	8	2	21	5	-	-	32	7
Q - Para-professionals	1	4	-	6	-	3	-	-	1	13
C - Administrative Support	2	3	0	6	3	2	-	-	5	12
Total by Race/Ethnicity & Gender	13	29	30	68	64	74	1	6	108	177
Percent of Total by Race/Ethnicity & Gender (%)	5	10	11	24	29	26	0.4	2	38	62
Total by Race/Ethnicity	42		98		138		7		285	
Pct of Total by Race/Ethnicity	15%		34%		48%		2%			

*A – Administrators and Officials: directors, employees establishing broad policy and exercising responsibility for execution of those policies.

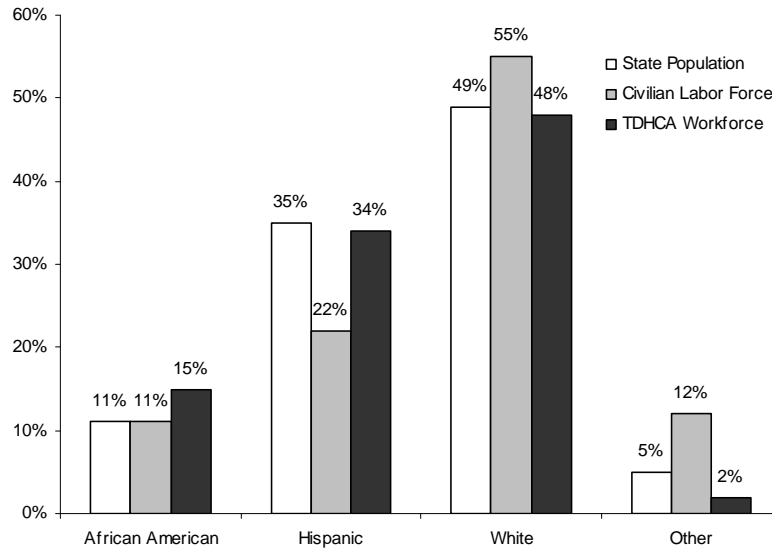
P – Professionals: accountants: systems analysts, attorneys, occupations requiring specialized training or education.

T – Technician: computer technicians, occupations requiring basic scientific or technical knowledge.

Q – Para-professionals: persons performing some of the duties of professionals in a supportive role.

C – Administrative Support: these include clerical payroll clerks, legal assistants, office machine operators, statistical clerks, and bookkeepers.

Comparison of TDHCA Workforce by Race/Ethnicity to State Population and Civilian Workforce



Source: US Census, 2006 American Community Survey; TDHCA Human Resources Data; Uniform Statewide Payroll System (2008 data); and Bureau of Labor Statistics (2004)

TDHCA’s workforce is in close correlation to the State population by race and ethnicity.

Comparison of TDHCA EEO and Statewide Employment Statistics

Job Category	% African American		% Hispanic		% Females	
	TDHCA	State	TDHCA	State	TDHCA	State
Officials/Administrators	-	6.6%	16%	14.2%	37%	37.3%
Professionals	15%	8.3%	37.2%	13.4%	70.4%	53.2%
Technicians	7.6%	12.4%	25.6%	20.2%	17.9%	53.8%
Para-Professionals	35.7%	13.8%	42.8%	40.70%	92.8%	39%
Administrative Support	29.4%	11.2%	35.2%	24.10%	70.5%	64.7%

Source: TDHCA Human Resources Data and Bureau of Labor Statistics, Geographic Profile, 2004 for the state of Texas.

Agency Turnover

Percent of Workforce Eligible to Retire

Of the current 285 employees, there are 17 employees or 6 percent who are currently eligible to retire under the “Rule of Eighty”. Ten of these employees are from the Manufactured Housing Division and all of these employees work in the field offices as Inspectors. Within the next biennium there will be 11 additional employees eligible to retire under the “Rule of Eighty”. This will be a total of 10 percent employees eligible for retirement.

Of the current 285 employees there will be 8 employees or 3 percent that will be eligible to retire as a result of reaching the age of sixty with five years of service in the next biennium.

It should be noted that TDHCA currently has six retiree rehires. Management is aware of the impact they will have on the loss of knowledge and skill base and is continually looking at methods to replace this knowledge through:

- Employee Development
- Mentoring Program
- Cross divisional training

Projected Employee Turnover Rate over the Next Five Years

In FY2007 the turnover rate for TDHCA was at its lowest point in comparison to the previous turnover rates. As shown by the chart below, TDHCA's turnover rates have historically been under the state turnover rates and have fluctuated.

Historical Employee Turnover Rate

Entity	FY2003	FY2004	FY2005	FY2006	FY2007
Statewide Turnover	18.2%	42.1%	19.1%	17.9%	19.2%
TDHCA Turnover	16.6%	13.4%	15%	12.5%	8.6%

Source: SAO E-Class as of 4/21/08. Turnover rates include interagency transfers.

B. Organizational Structure and Process

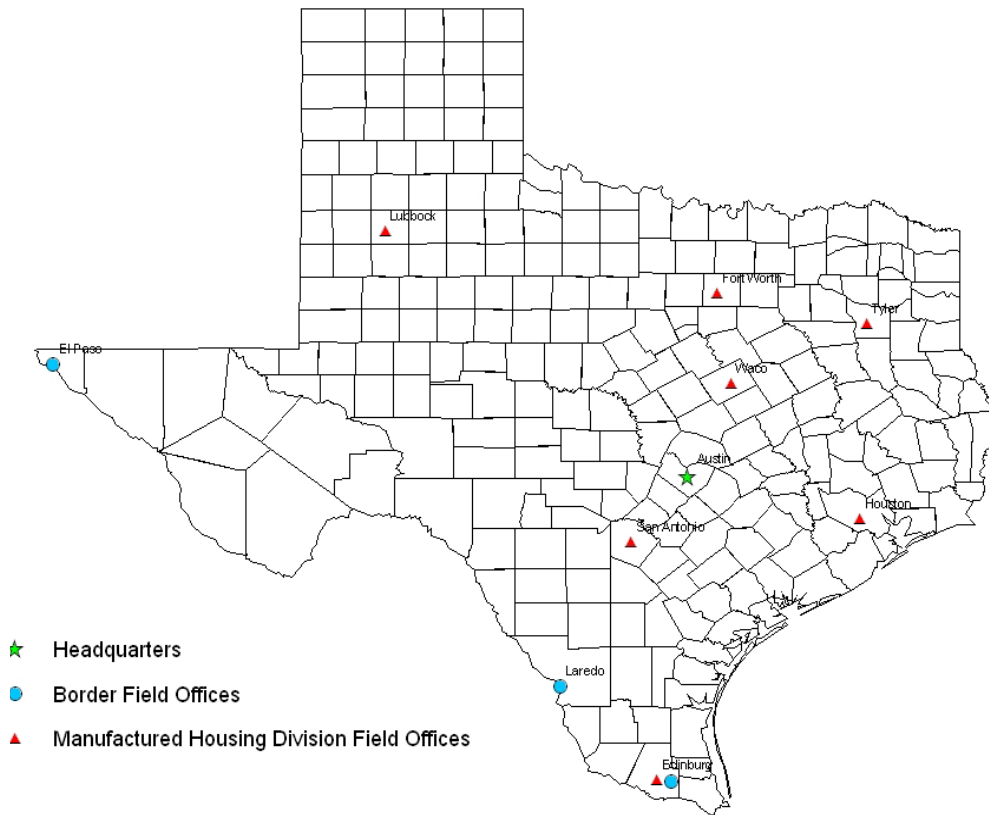
TDHCA is organized under four divisions that report to the Executive Director: Administration, Programs, Legal Services, and Public Affairs. Within the Programs Division, activities are organized under the following categories: Community Affairs, Office of Colonia Initiatives, HOME, Homeownership, Multifamily Finance Production, Real Estate Analysis, and Housing Resource Center. Within the Administration Division, activities are organized under the following categories: Administrative Support, Bond Finance, Financial Administration, Information Systems, and Portfolio Management and Compliance (PMC). The Internal Audit Division reports directly to the Board. The Manufactured Housing Division operates within TDHCA as an administratively attached but independent entity. An organizational chart of the Department is provided as Appendix B.

TDHCA's Executive Director is employed by the Board with the approval of the Governor. The Executive Director is responsible for administering the work of the Department. The seven-member Governing Board, appointed by the Governor with advice and consent of the Senate, works with the Executive Director to develop policies and programs to meet the needs of the mission and goals of the Department.

C. Geographical Location of Agency

TDHCA’s headquarters is located in the state owned State Insurance Building Annex at 221 East 11th Street, Austin, TX 78701. The Office of Colonia Initiatives has Border Field Offices located in Edinburg, El Paso, and Laredo. The Manufactured Housing Division has field offices located throughout the state in Dallas-Ft. Worth, Edinburg, Houston, Lubbock, San Antonio, Tyler, and Waco.

Figure 1: TDHCA Locations



D. Location of Service Populations and Regions

TDHCA is committed to equitably and effectively serving citizens in all areas of the state. For its general planning and reporting purposes, a 13 region geographic configuration of the state’s 254 counties is used. These state service regions, which were developed by the Texas Comptroller of Public Accounts, are referenced in §2306.111(d) of the Texas Government Code which calls for the regional allocation of TDHCA’s HOME, HTC, and HTF funding. A map of the regions are shown below in Figure 2.

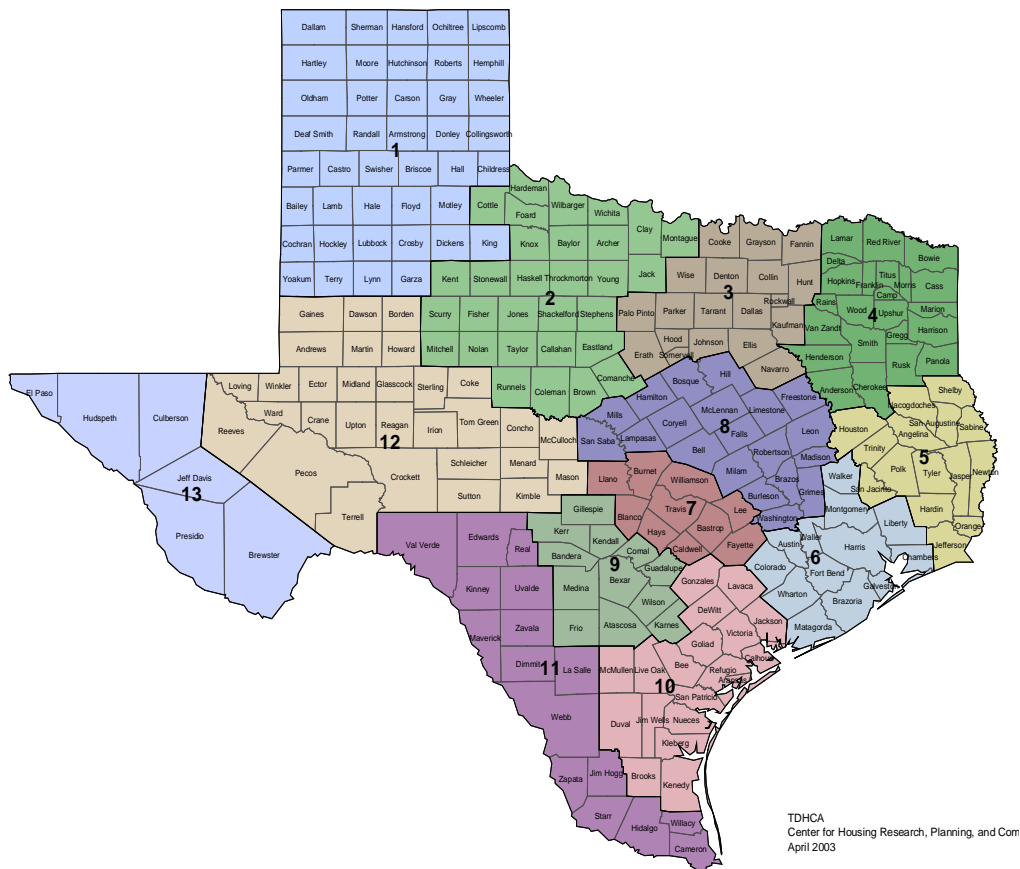
TDHCA funding is regionally allocated via the following:

- HOME, HTC, and HTF funding is allocated by formula to be distributed within each region. It should be noted that in some instances funding from these programs that is used to fulfill federal, state, or board mandated set-asides may be exempted from the regional distribution formula.

- MFB financing is allocated statewide based on a lottery method controlled by the Texas Bond Review Board.
- Community Affairs funding for the Emergency Shelter Grants Program, Community Services Block Grant, Comprehensive Energy Assistance Program, and Weatherization Assistance Program funding is allocated statewide through a network of subcontractors. Each subcontractor receives a funding allocation based on the level of need within the counties they serve. There may be multiple subcontractors within each region.
- A statewide network of participating lenders is used to distribute the single family bond financing. The final distribution of funding is based on consumer demand.

As described below, a wide variety of program regulations, market conditions, and legislative requirements affect TDHCA's statewide resource distribution.

Figure 2: TDHCA Service Regions



Colonias

TDHCA has specific policy goals, strategies, and programs designed to support the improvement of living conditions of colonia and border residents along the Texas-Mexico border region. A “colonia,” Spanish for “neighborhood” or “community,” is a geographic area located within 150 miles of the Texas-Mexico border that has a majority population comprised of individuals and families of low and very low income who lack safe, sanitary, and sound housing. This includes a lack of basic services such as potable water, adequate sewage systems, drainage, streets, utilities, paved roads, and plumbing. As discussed in detail in the “III. Fiscal Aspects” section of the Plan beginning on page 32, there are a number of Legislative Riders that dedicate specific amounts of TDHCA funding to serve these communities.

Rural and Urban Needs

As the migration of population and industries continues to urban and suburban areas, the less-populous areas of the state are faced with an aging housing stock and households with lower incomes than their urban or suburban counterparts. To address the income disparity and reduced access to housing and community services resources (e.g., larger communities and regions have greater access to bonds, a large tax base, and investment capital) in less-populous areas, TDHCA gives focused consideration to rural areas when developing its housing programs and the rules that govern these programs.

Specific examples of how TDHCA addresses rural needs include:

- It is legislatively required that 95 percent of the TDHCA HOME funding be allocated to non-participating jurisdiction areas. Because participating jurisdictions (PJs), which are larger metropolitan cities and more populous counties, receive HOME program funds directly from HUD, TDHCA directs its HOME program allocation to non-PJ areas of the state. The remaining 5 percent of HOME funds may be expended in any area of the state, but only if it funds an activity that serves persons with disabilities.
- §§2306.111(d) and 2306.1115 require that the regional allocation formula used to distribute HOME, HTC, and HTF funding consider existing housing need and available resources to meet this need in rural and urban areas.
- TDHCA and ORCA jointly administer the HTC Program rural allocation. ORCA helps develop and approves all thresholds, scoring, and underwriting criteria for the rural allocation. The resulting joint outreach, training, and rural area capacity building efforts help increase participation in the rural set-aside.
- The TDHCA Section 8 Housing Choice Voucher Program specifically serves households in small cities and rural communities that are not served by similar local or regional housing voucher programs.

Regional Allocation Plans

As required by federal or state laws, depending on the program, TDHCA has developed regional allocation formulas for many of its programs. These formulas are based on objective measures of need and available resources that help ensure an equitable distribution of funding across the state.

2008 HOME, HTC, and HTF Regional Allocation Formula

Sections 2306.111(d) and 2306.1115 of the Texas Government Code require that TDHCA use a Regional Allocation Formula (RAF) to allocate its HOME, HTC, and HTF funding. This RAF objectively measures the affordable housing need and available resources in 13 State Service Regions used for planning purposes. Within each region, the RAF further targets funding to rural and urban areas.

As a dynamic measure of need, the RAF is revised annually to reflect updated demographic and resource data; respond to public comment; and better assess regional housing needs and available resources. The RAF is submitted annually for public comment.

Slightly modified versions of the RAF are used for HOME, HTC, and HTF because the programs have different eligible activities, households, and geographical service areas. For example, because 95 percent of HOME funding must be set aside for non-PJs, the HOME RAF only uses need and available resource data for non-PJs.

For the 2008 fiscal year, the RAF uses the following 2000 US Census data to calculate this regional need distribution:

- Poverty: Number of persons in the region who live in poverty.
- Cost Burden: Number of households with a monthly gross rent or mortgage payment to monthly household income ratio that exceeds 30 percent.
- Overcrowded Units: Number of occupied units with more than one person per room.
- Units with Incomplete Kitchen or Plumbing: Number of occupied units that do not have all of the following: sink with piped water; range or cook top and oven; refrigerator, hot and cold piped water, flush toilet, and bathtub or shower.

There are a number of other funding sources that can be used to address affordable housing needs. To mitigate any inherent inequities in the regional allocation of these funds, the RAF compares each region's level of need to its level of resources. For the 2008 RAF, resources from the following sources were used: HTC, HTF, HUD (HOME, Housing Opportunities for Persons with AIDS (HOPWA), public housing authority (PHA) capital funding, and Section 8 funding), Bond Financing, and United States Department of Agriculture (USDA) housing programs.

2008 Emergency Shelter Grants Program (ESGP) Allocation Formula

ESGP funds are reserved according to the percentage of poverty population identified in each of the 13 state service regions. The top scoring applications in each region are recommended for funding, based on the amount of funds available for that region. Any application that receives a score below 70 percent of the highest raw score from the region is not considered for funding.

2008 Community Service Block Grant (CSBG) Allocation Formula

Allocations to the 46 CSBG–eligible entities are based on two factors: (1) the number of persons living in poverty within the designated service delivery area for each organization and (2) a calculation of population density. Poverty population is given 98 percent weight, and the ratio of inverse population density is given 2 percent weight. The formula also includes a base award for each organization before the factors are applied, as well as a floor, or minimum award. In FY 2008, the Department will utilize the 2000 Census population figures at 125 percent of poverty, a base of \$50,000, and a floor at \$150,000.

2008 Comprehensive Energy Assistance Program (CEAP) and Weatherization Assistance Program (WAP) Allocation Formula

The allocation formula for the Comprehensive Energy Assistance and Weatherization Assistance programs uses the following five factors and corresponding weights to distribute its funds by county: county non-elderly poverty household factor (40 percent); county elderly poverty household factor (40 percent); county inverse poverty household density factor (5 percent); county median income variance factor (5 percent); and county weather factor (10 percent).

Other Factors that Affect the Distribution of Funds

In order to simplify the application process and direct monies quickly to address rural needs, HOME funds are awarded through an ‘open-cycle’ (first-come, first-served) application process. Under the 2008 HOME Investment Partnership Program rules, threshold criteria incentivizes income targeting, uses the Affordable Housing Needs Score (AHNS), requires a minimal match contribution and is conditioned on successful completion of previous HOME awards. Additionally, this process includes a review of past performance requiring good standing with the Department at the time of award. If applicants have received awards previously and have been deobligated due to non-performance of a contract, they are ineligible to receive funds from the HOME program for a period no less than 12 months. This process ensures the integrity of the RAF as required by Chapter 2306, compliance with federal program regulations, and state program rules. By incentivizing those applicants targeting lower income populations and utilizing the AHNS, the Department is able to ensure that the neediest Texans receive program benefit.

For applications that involve HTCs, applicants must receive a resolution from the local governing body for approval to add new units if the application is proposing new construction that is within one mile of an existing development that has received an allocation of Housing Tax Credits or Private Activity Bonds for new construction within the last three years and that serves the same population type (elderly/elderly or family/family). This applies to applications proposing New Construction and Adaptive Reuse in counties with over one million in population. Additionally, applications proposing development in a city or county that has more than twice the state average per capita of affordable housing units supported by Housing Tax Credits or Private Activity Bonds must receive a resolution from

the local governing body for approval to develop in that city or county. This applies to applications proposing New Construction, Adaptive Reuse, and Acquisition/Rehabilitation.

E. Human Resource Strengths and Weaknesses

The following is an outline of human resource strengths and weaknesses in the areas of training, experience, compensation/benefits, turnover rates, impact of early retirements, succession planning, strength of policy, etc.

Human Resources Strengths

- The Department's turnover for fiscal year 2007 (8.6%) was at its lowest point in comparison to the previous fiscal years and in comparison to fiscal year 2007 state turnover rate of 17.4%. The low turnover rate indicates that staff is committed to its clients and to the Department in carrying out its mission and goals.
- The Department is committed to providing staff with opportunities to attend continuing education courses to enhance their educational background and skills. The Department recently increased the amount of financial assistance for employees who are interested in pursuing under graduate and post graduate education.
- The Department's workforce has a depth of institutional knowledge of the programs. Staff has demonstrated a strong commitment to its clients and customers in providing public service to Texas communities and advocacy groups.
- The Department has a highly diverse workforce which creates an environment of higher employee morale, increases creativity, and leads to a higher retention of employees.
- The average staff tenure for the Department is 11 years. The Department has employees with in-depth institutional knowledge and highly skilled technical staff in the areas of housing finance and federal programs.

Human Resources Weaknesses

- The Department needs to improve its current method of evaluating staff as part of the annual performance review process. The Department will focus on securing a new system next fiscal year that will provide objective means to measure staff performance.
- While the Department has made great stride in equitable and fair pay among staff, this continues to be an area of weakness. The Department continues to address this issue through continued review of salary actions, reviewing salaries for pay equity, and granting pay equity adjustment.
- The Manufactured Housing Division has a projected retirement of at least 11 employees currently. Should this staff decide to retire the Division does not have a plan on how to recruit and fill these positions immediately.
- The Department is currently understaffed relative to our FTE cap of 298.

F. Capital Assets

Strengths and Weaknesses

Technological capital asset strengths include:

- Secure, low cost, high performance, and highly available gigabit local area network and high speed wide area network (WAN). TDHCA's WAN, implemented in 2003, is part of the TEX-AN telecommunications service and allows seven Manufactured Housing and three OCI regional offices to connect to the TDHCA local area network.
- Third party enterprise business applications, including PeopleSoft Financials 8.8, Mitas Automated Accounting and Loan Administration software, HAPPY Section 8 software, and custom enterprise business applications, including contract systems for housing and community affairs programs and the Compliance Monitoring and Tracking System.
- Supported personal computer and laptop operating systems, office productivity software, and other specialized end user software installed as required for each Department employee.
- A mixture of mid-range and low-end servers that house TDHCA business applications.
- A small, well designed, server room facility that is shared with the Office of the Comptroller of Public Accounts.

Technological capital asset weaknesses include:

Current use of an end-of-life legacy system for the Manufactured Housing Division (MHD). However, TDHCA is on schedule with its FY 2008-2009 Manufactured Housing System Upgrade project. TDHCA plans to launch the new system in FY 2009.

The system will support all major MHD business functions, including titling, installation and tracking, tax lien processing, licensing, and consumer complaint activities. Key Manufactured Housing System Upgrade goals are to:

- rebuild the system on a platform and with a design that resolves current difficulties in maintaining the system,
- Web-enable services such as submitting titling applications, tax liens, and notices of installations, and
- expand the use of Texas Online beyond manufactured housing license renewals to include providing customers the ability to pay for new licenses and pay titling fees online.

Needs and Prioritization

Throughout the FY 2009-2013 time period, TDHCA will focus on the following technology initiatives in support of Department objectives:

- Manufactured Housing System Upgrade (FY 2008-2009 capital budget project)
- PeopleSoft Financials version upgrades to stay up-to-date with the Office of the Comptroller of Public Accounts Integrated Statewide Accounting System (ISAS) version of PeopleSoft Financials
- Yearly upgrades of the Mitas Automated Accounting and Loan Servicing systems
- Frequent upgrades of the HAPPY Housing Pro Section 8 System
- IT security and disaster preparedness
- Web site enhancements to provide customers easier access to information

- Enhancement projects for the Department's custom systems
- Continued technical support for Department employees and external customers

G. Agency Use of Historically Underutilized Businesses

It is TDHCA's policy to demonstrate a good faith effort to provide procurement and contracting opportunities for all minority-owned and women-owned businesses. TDHCA understands and recognizes the challenges that occur during the bid process for these businesses. Therefore, it is committed to the recruitment and promotion of Historically Underutilized Businesses (HUBs) in all procurement processes. TDHCA's General Policies and Procedures for Historically Underutilized Businesses is referenced in Texas Administrative Code, Title 10, Part 1, Chapter 1, SubChapter A, Rule §1.6. A Department HUB Coordinator has also been designated, in accordance with Section 2161.062, Government Code.

TDHCA continues to achieve the state goals for procurement awards to HUBs and subcontracting of HUB vendors through staff education on procurement policy rules and procedures, and through aggressively recruiting and assisting HUB businesses. TDHCA also participates in vendor forums during the fiscal year, both exhibiting and co-hosting forums.

H. Key Organizational Events and Areas of Change and Impact on Organization

In the second quarter of FY 2007, TDHCA reorganized several divisions to realign certain programs by funding stream. All components of the HOME Investment Partnerships Program, including multifamily and single family finance, and aspects of program monitoring and compliance, were reconsolidated under the new HOME Program Division. This division also manages the Housing Trust Fund. TDHCA's other single-family housing programs, including the First Time Homebuyer Program, Mortgage Credit Certificate Program, Texas Loan Star Program, and Texas Statewide Homebuyer Education Program, are administered by the Texas Homeownership Division.

I. Use and Anticipated Use of Consultants and Contractors

To effectively achieve its mission, TDHCA will continue to use consultants and contract workers in areas where their unique skills and experience represents the most effective use of the State's resources. Three divisions that expect the greatest ongoing use of consultants are Portfolio Management and Compliance, Information Systems, and Bond Finance.

Portfolio Management and Compliance (PMC)

TDHCA monitored the FDIC's Affordable Housing Program under a Memorandum of Understanding. The day to day oversight of the properties was outsourced to Monitoring Data Systems Inc. In April of 2008, TDHCA provided the FDIC with notice of termination of the MOU effective September 1, 2008. Therefore, the Department will no longer contract with Monitoring Data Systems Inc. The full time employee positions that were dedicated to this function will monitor TDHCA funded properties.

The Internal Revenue Service requires State Housing Finance Agencies to use local health, safety, and building codes or the Uniform Physical Condition Standards to assess the physical condition of HTC developments. In Texas, building codes vary from city to city and many areas do not have code enforcement at all. To ensure a uniform inspection standard is used state wide, the Department has elected to use Uniform Physical Condition Standards inspections for tax credit developments. Since March of 2005 TDHCA outsourced the Uniform Physical Condition Standards through a competitive process. In January of 2008, TDHCA contracted with two firms to provide these services; Onsite Insight and the Inspection Group.

TDHCA monitors received training in the Uniform Physical Condition Standards inspection protocol in November of 2007 to diminish dependence on an outside contractor. In the future, TDHCA staff will be conducting the bulk of these inspections. Only high risk developments will be outsourced until sufficient internal expertise and experience is attained.

In the past, TDHCA worked with ICF Consulting, Inc. to increase staff and administrator capacity in the HOME program. TDHCA staff has not needed the assistance of ICF in the last year. It is not anticipated that technical assistance will be needed from ICF in the future.

Information Systems (IS) Division

TDHCA's Information Systems Division makes limited, targeted use of consultants for approved capital budget projects and software development support. In the current biennium, the Department has employed one contract developer to assist in the support of PeopleSoft Financials 8.8 and two contract developers to help support the Community Affairs Contract System and the Community Development Block Grant module of the Housing Contract System. Additionally, the Department plans to utilize two contract developers for the Manufactured Housing Systems Upgrade, a FY 2008-2009 capital budget project. Consultants are used for projects and support in cases where specialized skills or additional staffing are needed for a specific timeframe.

Bond Finance

The Bond Finance division uses the following types of consultants:

- Bond Counsel – A nationally recognized law firm or firms experienced in the issuance of mortgage revenue bonds.
- Financial Advisor – Typically an investment banking firm experienced in issuance of mortgage revenue bonds.
- Master Servicer/Administrator – A financially sound bank or trust company experienced in tax compliance review and loan servicing for tax-exempt single family mortgage revenue bond programs.
- Disclosure Counsel – A law firm experienced in securities laws particularly as it relates to disclosure of information by securities issuers to the private markets.
- Rating Agencies – A national rating agency which analyzes bond issues and assigns a rating to them to indicate to prospective bondholders the investment quality of the issue.

- Interest Rate Swap Advisor – Primarily monitors interest rate swaps used to hedge single family mortgage revenue bonds.
- Guaranteed Investment Contract Broker – Provides reinvestment services for single family mortgage revenue bond issues, single family commercial paper issues, and/or multifamily mortgage revenue bond issues.

III. FISCAL ASPECTS

A. Size of Budget

The following chart provides historical funding levels by goal. Goal A: Affordable Housing includes appropriated and non-appropriated resources as below described. The non-appropriated HTC's, single family, and multifamily non-appropriated amounts are estimates in fiscal years 2008–2009.

One significant change in the bill pattern was associated with Goal B. Over the 2002–03 biennium, ORCA was created with the passage of House Bill 7 (77th Legislative, Regular Session). With the creation of ORCA, CDBG funds, CDBG general revenue (GR) Match, and GR associated with Local Government Services were shifted from TDHCA to ORCA. This reduced TDHCA's federal funds by \$167,090,099 and GR funds by \$2,955,133 (Article IX, Section 10.95, and Contingency for House Bill 7). The funding amounts for Goal B for 2006-2009 represent funding for TDHCA's OCI and Housing Resource Center divisions.

Table 9: Appropriated Funds

	2004	2005	2006	2007	2008	2009
Goal A: Affordable Housing	\$63,200,684	\$57,193,100	\$60,085,072	\$56,500,789	\$51,740,565	51,772,518
Goal B: Colonia Service Centers (Pre 79th Leg.)	\$713,186	\$680,177	\$-	\$-	\$-	\$-
Goal B: Info. & Tech. Assist. (Post 79th Leg.)	\$-	\$-	\$1,354,939	\$1,357,663	\$1,447,412	\$1,450,647
Goal C: Poor and Homeless	\$79,457,061	\$79,379,015	\$83,059,961	\$83,002,846	\$84,766,853	\$84,762,697
Goal D: Ensure Compliance	\$3,072,650	\$2,991,874	\$4,240,709	\$4,278,876	\$4,006,867	\$3,983,682
Goal E: Manufactured Housing	\$4,804,136	\$4,824,009	\$3,840,814	\$3,840,815	\$4,473,928	\$4,630,222
Goal F: Indirect Administration	\$6,690,989	\$6,700,482	\$6,389,609	\$6,317,595	\$6,171,621	\$6,216,236
Total Appropriated Funds	\$157,938,706	\$151,768,657	\$158,971,104	\$155,298,584	\$152,607,246	\$152,816,002

Source: General Appropriation Bills, 78th through 80th Legislative Sessions

Table 10: Non-Appropriated Funds for Goal A, Affordable Housing

	2004	2005	2006	2007	2008	2009
Funding Amount	\$438,225,000	\$390,925,000	\$471,680,000	\$399,495,000	394,125,000	\$343,000,000

Table 11: Non-Appropriated Funding Detail

	2004	2005	2006	2007	2008	2009
HTCs	\$61,000,000	\$61,000,000	\$63,000,000	63,000,000	63,000,000	63,000,000
Multifamily Bond Funds	\$130,000,000	\$150,000,000	150,000,000	150,000,000	89,000,000	90,000,000
Single Family Bond Funds	\$247,225,000	\$179,925,000	\$258,680,000	\$186,495,000	\$242,125,000	\$190,000,000
Total Non-Appropriated Funds	\$438,225,000	\$390,925,000	\$471,680,000	\$399,495,000	394,125,000	\$343,000,000

Table 12: Total, All Funds

	2004	2005	2006	2007	2008	2009
Funding Amount	\$596,163,706	\$542,693,657	\$630,651,104	\$554,793,584	\$546,732,246	\$495,816,002

B. Method of Finance

The methods of finance for appropriated funds since the fiscal year (FY) 04–05 biennium are shown below.

Table 13: Methods of Finance

	2004	2005	2006	2007	2008	2009
Federal Funds	\$131,040,487	\$130,979,680	\$135,505,609	\$135,387,385	\$128,733,144	\$128,697,779
Appropriated Receipts	\$14,480,704	\$14,353,145	\$15,460,458	\$15,418,498	\$16,586,560	\$16,787,596
General Revenue (GR)	\$11,484,471	\$5,485,384	\$7,109,007	\$3,596,671	\$7,219,287	\$7,262,372
Earned Federal Funds	\$850,077	\$867,481	\$813,030	\$813,030	\$-	\$-
Interagency Contracts	\$82,967	\$82,967	\$83,000	\$83,000	\$68,255	\$68,255
Total Appropriated Funds	\$157,938,706	\$151,768,657	\$158,971,104	\$155,298,584	\$152,607,246	\$152,816,002

Source: General Appropriation Bills 78th through 80th Legislative Sessions

Federal Funds: These funds are the Department’s primary appropriated funding source. Federal funds make up 84 percent of the total funds appropriated to the Department in the 2008–2009 biennium. As such, these funding levels are subject to change to reflect priorities at the federal level. Short term expectations for each of the funding sources is described in “VII. Impact of Federal Statutes/ Regulations, Description of Current and Anticipated Federal Activities,” Page 61. HUD and DHHS are TDHCA’s largest federal grantor agencies.

Appropriated Receipts: These funds represent approximately 11 percent of the total funds appropriated to the Department. The funds are comprised of fees collected to administer the Department’s housing programs or from its regulation of the manufactured housing industry. Compliance and application fee revenues provide a method of finance to support and administer the HTC Program. Fees to issue Mortgage Revenue Bonds are used to support programs and other indirect administrative costs. The Manufactured Housing Division also generates revenue through fee collections. The majority of the fees collected are pursuant to the issuance of titles, licenses and from installation inspections. The Legislature allocates the fees to the Department as Appropriated Receipts and General Revenue.

General Revenue: These funds make up 5 percent of total funds appropriated to the Department. The HTF is the primary program receiving GR funds and is the only affordable housing program funded by State funds.

Earned Federal Funds: As of the 2008-2009 biennium, these funds are regarded as General Revenue under the General Appropriations Act and are therefore not reflected as a separate Method of Finance.

Interagency Contracts: This source, which is less than 1 percent of the Department’s funding, currently supports Goal B: Colonia Service Centers and originate from ORCA.

The Department applies for new federal funding as it becomes available. Should it receive additional federal funds, FTE and travel waiver requests may be submitted, depending on the increased workload new federal programs require. Currently, the Department has complied with FTE and travel limitations as set forth in the appropriation bills.

C. Per Capita and Other States’ Comparisons

The majority of funding for TDHCA comes either directly from the federal government or through federally authorized tax credits or bonds. In general, funding amounts for these programs are based on a state’s population. For this reason Texas, the second most populous state in the nation, receives a relatively large amount of federal funds. In contrast, when comparing levels of state appropriations through trust funds or other designated sources, Texas falls far behind the rest of the country. For 2006, the most recent year with comparable data, the State of Texas appropriated approximately \$3 million to provide for the HTF. Using the U.S. Census Bureau’s state population estimate of 23,507,783, Texas’ per capita spending on affordable housing is \$0.13. Table 14 provides comparisons of state-appropriated housing funds from the other five largest states in the nation.

Table 14: Comparison of State Per Capita (Sorted by State Funding Level)

<i>State</i>	<i>2006 Population</i>	<i>2006 State Funding</i>	<i>Per Capita Spending</i>
California	36,457,549	\$35,901,613	\$0.98
New York	19,306,183	\$100,200,000	\$5.19
Florida	18,089,889	\$442,892,623	\$24.48
Illinois	12,831,970	\$82,850,000	\$6.46
Pennsylvania	12,440,621	\$25,000,000	\$2.01
Texas	23,507,783	\$3,049,869	\$0.13

Sources: US Census Bureau; *Factbook: 2006 National Council of State Housing Agencies Annual Survey Results*, State Housing Finance Agencies.

D. Budgetary Limitations

Statutory and Federal Restrictions

State and federal statutes and regulations place many restrictions on the use of TDHCA funds. These restrictions affect a wide variety of program characteristics including limitations on eligible household income levels and allowable rents, maximum loan sizes, and funding allocation scoring and distribution criteria. Additionally, these programs have complex portfolio management and compliance requirements. A few specific examples of budgetary directives found in federal and state statute and regulations that regulate the use of specific funding include:

- 24 Code of Federal Regulations, Section 92.300(a)(1), requires that 15 percent of total HOME Investment Partnerships Program funds be reserved for use by community housing development organizations (CHDOs).
- §2306.111(c) requires that 95 percent of the TDHCA HOME funding be allocated to non-participating jurisdiction areas. Because participating jurisdictions (PJs), which are larger metropolitan cities and more populous counties, receive HOME program funds directly from HUD, TDHCA directs its HOME program allocation to non-PJ areas of the state. The remaining 5 percent of HOME funds may be expended in any area of the state, but only if it funds an activity that serves persons with disabilities.
- §2306.111(d) requires that the regional allocation formula used to distribute HOME, HTC, and HTF funding, consider existing housing need and available resources to meet this need in rural and urban areas.
- Section 2306.7581(a-1), Texas Government Code, requires the Department to provide \$3 million per year in Housing Trust Funds toward the Texas Bootstrap Home Loan (“Owner-Builder”) Program.

Appropriations Riders

The Department will fully comply with all caps on funding and FTEs. The following section describes the Riders from the 2008-2009 Bill Pattern (Article VII, 3-7, General Appropriations Act, 80th Regular Session, and House Bill 1)

“Rider 1: Performance Measure Targets. The following is a listing of the key performance measure target levels for the Department of Housing and Community Affairs. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Department of Housing and Community Affairs. In order to achieve the objectives and service standards established by this Act, the Department of Housing and Community Affairs shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

External/Internal Assessment

	2008	2009
A. Goal: AFFORDABLE HOUSING		
<i>Outcome (Results/Impact):</i>		
<i>% of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance</i>	0.91%	0.87%
<i>% of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance</i>	0.28%	0.27%
<i>% of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance</i>	3.15%	3.02%
<i>% of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance</i>	0.10%	0.08%
A.1.1. Strategy: MRB PROGRAM - SINGLE FAMILY		
<i>Output (Volume):</i>		
<i># of Households Assisted with Single Family Mortgage Revenue Bond Funds</i>	2,016	1,716
A.1.2. Strategy: HOME PROGRAM - SINGLE FAMILY		
<i>Output (Volume):</i>		
<i># of Households Assisted with Single Family HOME Funds</i>	1,255	1,255
A.1.3. Strategy: HTF – SINGLE FAMILY		
<i>Output (Volume):</i>		
<i># of Households Assisted through the Single Family HTF Program</i>	228	209
A.1.4. Strategy: SECTION 8 RENTAL ASSISTANCE		
<i>Output (Volume):</i>		
<i># of Households Assisted through Statewide Housing Assistance Payments Program</i>	1,494	1,494
A.1.5. Strategy: FEDERAL TAX CREDITS		
<i>Output (Volume):</i>		
<i># of Households Assisted through the HTC Program</i>	12,261	11,779
A.1.6. Strategy: HOME PROGRAM – MULTIFAMILY		
<i>Output (Volume):</i>		
<i># of Households Assisted with Multifamily HOME Funds</i>	500	526
A.1.8. Strategy: MRB PROGRAM-MULTIFAMILY		
<i>Output (Volume):</i>		
<i># of Households Assisted through the Multifamily MRB Program</i>	2,393	2,217
B. Goal: INFORMATION & TECHNICAL ASSISTANCE		
B.1.1. Strategy: HOUSING RESOURCE CENTER		
<i>Output (Volume):</i>		
<i># of Information and Technical Assistance Requests Completed</i>	4,900	4,900
B.2.1. Strategy: COLONIA SERVICE CENTERS		
<i>Output (Volume):</i>		
<i># of On-site Technical Assistance Visits Conducted Annually from the Field Offices</i>	800	800

C. Goal: POOR AND HOMELESS PROGRAMS		
<i>Outcome (Results/Impact):</i>		
<i>% of Persons in Poverty That Received Homeless and Poverty-related Assistance</i>	12.32%	12.32%
<i>% of Very Low Income Households Receiving Energy Assistance</i>	4.12%	4.12%
C.1.1. Strategy: POVERTY-RELATED FUNDS		
<i>Output (Volume):</i>		
<i># of Persons Assisted through Homeless and Poverty-related Funds</i>	512,244	512,244
<i># of Persons Assisted That Achieve Incomes above Poverty Level</i>	2,200	2,200
<i># of Shelters Assisted</i>	73	73
C.2.1. Strategy: ENERGY ASSISTANCE PROGRAMS		
<i>Output (Volume):</i>		
<i># of Households Assisted through the Comprehensive Energy Assistance Program</i>	51,502	51,502
<i># of Dwelling Units Weatherized by the Department</i>	3,004	2,960
D. Goal: ENSURE COMPLIANCE		
D.1.1. Strategy: MONITOR HOUSING REQUIREMENTS		
<i>Output (Volume):</i>		
<i>Total # of Onsite Reviews Conducted</i>	915	965
D.1.2. Strategy: MONITOR CONTRACT REQUIREMENTS		
<i>Output (Volume):</i>		
<i>Total # of Monitoring Reviews Conducted</i>	12,715	12,765
E. Goal: MANUFACTURED HOUSING		
<i>Outcome (Results/Impact):</i>		
<i>% of Consumer Complaint Inspections Conducted within 30 Days of Request</i>	100%	100%
<i>% of Complaints Resulting in Disciplinary Action</i>	15%	15%
E.1.1. Strategy: TITLING AND LICENSING		
<i>Output (Volume):</i>		
<i># of Manufactured Housing Statements of Ownership and Location Issued</i>	90,000	90,000
<i># of Licenses Issued</i>	4,000	4,000
E.1.2. Strategy: INSPECTIONS		
<i>Output (Volume):</i>		
<i># of Routine Installation Inspections Conducted</i>	6,000	6,000
<i>Explanatory:</i>		
<i># of Installation Reports Received</i>	20,000	20,000
E.1.3. Strategy: ENFORCEMENT		
<i>Output (Volume):</i>		
<i># of Complaints Resolved</i>	1,250	1,250
<i>Efficiencies:</i>		
<i>Average Time for Complaint Resolution (Days)</i>	180	180
<i>Explanatory:</i>		
<i># of Jurisdictional Complaints Received</i>	1,200	1,200

“Rider 2: Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.

Item	2008	2009
Acquisition of Information Resource Technologies		
(1) <i>Manufactured Housing Systems Upgrade</i>	\$175,000	\$175,000
(2) <i>Purchase of Information Technologies-Scheduled Replacement of Items</i>	\$200,000	\$190,000
Total, Acquisition of Information Resource Technologies	\$375,000	\$365,000
Total, Capital Budget	\$375,000	\$365,000

Method of Financing (Capital Budget):

Community Affairs Federal Fund No. 127	\$55,998	\$71,382
Appropriated Receipts	\$319,002	\$293,618
Total, Method of Financing	\$375,000	\$365,000

“Rider 3: Low/Moderate Income Housing Construction. Out of the funds appropriated above, no less than \$500,000 each year of the biennium shall be expended on low/moderate income housing construction in enterprise zone areas.

“Rider 4: Appropriations Limited to Revenue Collections. Fees, fines, and other miscellaneous revenues as authorized and generated by the agency shall cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal E, Manufactured Housing, the cost of the appropriations required for manufactured housing consumer claims payments according to the Occupations Code § 1201, Manufactured Housing Standards Act, as well as the "other direct and indirect costs" associated with this goal, appropriated elsewhere in this Act. "Other direct and indirect costs" for Goal E, Manufactured Housing, are estimated to be \$911,408 for fiscal year 2008 and \$956,749 for fiscal year 2009. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.

“Rider 5: Housing Assistance. To the extent allowed by state and federal program guidelines the department shall adopt 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 Area Median Family Income (AMFI). No less than 20 percent of the funds available from the Housing Trust Fund, HOME Program, Section 8 Program, and Housing Tax-Credit Program shall be spent for individuals and families earning between 31 percent and 60 percent of the area median family income. To the extent allowed by state and federal program guidelines in those counties where the area median family income is lower than the state average median family income, the department shall use the average state median income in interpreting this rider. The department shall provide an annual report to the Legislative Budget Board documenting its expenditures in each income category.

“Rider 6: Conversions of Executory Contracts.

a. Out of the funds appropriated above, the department shall spend not less than \$4,000,000 for the biennium for the sole purpose of contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the applicable area median family income. It is the intent of the Legislature that the department shall make a good-faith effort to complete at least 200 contract for deed conversions by August 31, 2009.

b. The Department of Housing and Community Affairs shall provide a quarterly report to the Legislative Budget Board detailing the number of, and cost for each, contract for deed conversions completed.

“Rider 7: Bond Refinancing. The department shall transfer any funds acquired through refinancing of bonds to the Housing Trust Fund. The first \$3,000,000 each fiscal year in savings from the refinancing of any bonds shall be used to fund mortgage loans under the Bootstrap Self-Help Housing Loan Program.

“Rider 8: Colonia Set-Aside Program Allocation. The Office of Rural Community Affairs shall allocate 2.5 percent of the yearly allocation of Community Development Block Grant (CDBG) monies to support the operation of the Colonia Self-Help Centers and shall transfer such funds to the Department of Housing and Community Affairs on September 1 each year of the biennium.

Consistent with federal rules and regulations, the funds provided from ORCA to the Colonia Self-Help Center in El Paso county shall be used to provide internet access and training for parents and their children attending elementary schools in colonias, to establish technology centers within those elementary school libraries, to purchase wireless devices and laptop computers to loan out from the technology centers, and improve internet access for students and parents.

“Rider 9: Appropriation: Housing Trust Fund Interest Earnings and Loan Repayments.

Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from the General Revenue Fund are included above in Strategy A.1.3, Housing Trust Fund - Single Family, estimated to be \$900,000 each year.

“Rider 10: Housing Trust Fund Deposits to the Texas Treasury Safekeeping Trust Company.

a. Out of funds appropriated above in Strategy A.1.3, Housing Trust Fund - Single Family, \$2,503,295 in fiscal year 2008 and \$2,503,296 in fiscal year 2009 shall be deposited in the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, at the beginning of each fiscal year. The amounts to be transferred in fiscal years 2008 and 2009 include an estimated \$900,000 in each fiscal year from interest earnings and loan repayments received, identified above in Rider 9, Appropriation: Housing Trust Fund Interest Earnings and Loan Repayments.

b. Out of funds appropriated above in Strategy A.1.7, Housing Trust Fund - Multifamily, \$187,000 in fiscal year 2008 and \$187,000 in fiscal year 2009 shall be deposited in the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, at the beginning of each fiscal year.

c. Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from the General Revenue Fund shall be deposited in the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, for the same purpose.

d. The Department of Housing and Community Affairs shall provide an annual report to the Legislative Budget Board, the House Appropriations Committee, and the Senate Finance Committee no later than October 1 detailing the agency's plan to expend funds from the Housing Trust Fund during the current fiscal year.

e. Notwithstanding limitations on appropriation transfers contained in the General Provisions of this Act, the Department of Housing and Community Affairs is hereby authorized to direct agency resources and transfer such amounts appropriated above, not to exceed \$2,500,000 in General Revenue each fiscal year, between Strategy A.1.3, Housing Trust Fund - Single Family and Strategy A.1.7, Housing Trust Fund - Multifamily.

f. Out of funds appropriated above in Strategy A.1.3, Housing Trust Fund - Single Family and Strategy A.1.7, Housing Trust Fund - Multifamily, an amount not to exceed \$2,500,000 in both strategies in fiscal year 2008 and an amount not to exceed \$2,500,000 in fiscal year 2009 in both strategies above amounts required in Sections (a) and (b) of this rider, shall be deposited in the Housing Trust Fund in the Texas Treasury Safekeeping Trust Company established under Government Code, Chapter 2306, no later than October 1 of each fiscal year.

“Rider 11: Mortgage Revenue Bond Program. The Department of Housing and Community Affairs shall operate the First-Time Homebuyer Mortgage Revenue Bond Program in a manner that maximizes the creation of very low-income single family housing by ensuring that at least 30 percent of the lendable bond proceeds are set aside for a period of one year for individuals and families at 60 percent and below the area median family income (AMFI), while assuring the highest reasonable bond rating. In an effort to facilitate the origination of single family mortgage loans to individuals and families at 60 percent and below the AMFI, the department shall utilize down payment and closing cost assistance or other assistance methods.

“Rider 12: Additional Appropriated Receipts.

a. Except during an emergency as defined by the Governor, no appropriation of appropriated receipts in addition to the estimated amounts above may be expended by the Department of Housing and Community Affairs unless:

(1) the department's governing board files a finding of fact along with a written plan outlining the source, use, and projected impact of the funds on performance measures with the Legislative Budget Board and the Governor and indicating that additional appropriations are required to maintain adequate levels of program performance; and,

(2) neither the Legislative Budget Board nor the Governor issue a written disapproval not later than 10 business days within receipt of the finding of fact and the written plan.

b. This provision does not apply to appropriated receipts included in the amounts appropriated above that are collected under Object Codes 3719 and 3802. Appropriated receipts collected under these revenue object codes are governed under provisions found in Article IX, Sec 8.03 and Article IX Sec 12.02.

“Rider 13: Manufactured Homeowner Consumer Claims. Included above in Goal E, Manufactured Housing, the Manufactured Housing Division of the Department of Housing and Community Affairs is appropriated an amount required for the purpose of paying manufactured housing consumer claims from Appropriated Receipts according to the Occupations Code Chapter 1201, Manufactured Housing Standards Act, from Statement of Ownership and Location (SOL) issuance fees involving manufactured housing that are collected during the 2008-09 biennium. No General Revenue is appropriated for the payment of these claims.

“Rider 14: CDBG Disaster Reporting Requirement. The Department of Housing and Community Affairs shall provide a quarterly report to the Governor, the Legislative Budget Board, the House Appropriations Committee, the Senate Finance Committee and to those members of the Legislature representing counties eligible for Community Development Block Grant (CDBG) Disaster funding, detailing the receipt and expenditures of CDBG disaster funds received by the Department.

“Rider 15: Affordable Housing Research and Information Program. Out of funds appropriated above in Strategy B.I.I, Housing Resource Center, the Department of Housing and Community Affairs shall conduct the Affordable Housing Research and Information Program with the assistance of the Office of Rural Community Affairs, to the extent allowed by state law, in order to avoid a duplication of effort. It is the intent of the Legislature that no funds shall be transferred between the Department of Housing and Community Affairs and the Office of Rural Community Affairs for this purpose.”

E. Degree to which Current Budget Meets Current and Expected Needs

In FY 2007, TDHCA was able to assist 0.89 percent of the State’s 2,298,318 Very Low Income, Low Income, and moderate households in need. It served about 13.6 percent of the State’s 4,172,890 persons whose income is less than 125 percent of the poverty level. As discussed in detail in “IV. Service Population Demographics”, page 42, the state’s level of housing need is only expected to increase in the future given current funding levels and economic conditions.

F. Capital and/or Leased Needs Due for Renewal

The 2009 projection is \$13,944 for an OCI field office in Edinburg, and \$23,720 for Manufactured Housing field office leases in Houston, Lubbock and Tyler. The Manufactured Housing Division also leases postage meters for their field offices for \$4,512 annually.

The Department’s personal computers and laptops are composed of some hardware which will be replaced in future fiscal years in accordance with the Department’s personal computer replacement schedule. The schedule calls for four years of use prior to replacement in most cases.

Projected capital improvement needs for the FY 2010-2011 biennium will be described on a project-by-project basis in the TDHCA Information Technology Detail, which will be submitted along with TDHCA’s FY 2010-2011 Legislative Appropriations Request in August 2008.

IV. SERVICE POPULATION DEMOGRAPHICS

Overview

This section identifies how population groups TDHCA serves are expected to change within the timeframe of this Strategic Plan. The analysis includes information on historical population characteristics, current characteristics, and future trends.

Information in this section is primarily obtained from the US Census and Texas State Data Center (TSDC) reports and tabulations. The TSDC prepares population projections according to four scenarios: the zero migration scenario, which assumes that growth occurs through natural (birth and death) increases; the one-half 1990-2000 (0.5) migration scenario, which assumes rates of migration equal one-half of the 1990s rate; the 1990-2000 (1.0) migration scenario, which assumes a migration rate equal to the 1990s; and the 2000-2002

migration scenario, which takes into account post-2000 growth.¹³ Comparing projections, the TSDC 0.5 migration scenario most closely resembles the projections prepared by the US Census, so TDHCA is using data from this TSDC scenario in the Strategic Plan. This is also the scenario most recommended by the TSDC for use in long-term planning.

Because of methodology differences between these sources, exact figures may vary between sources. For example, Texas population projections for 2010 are 24,330,612 from the TSDC 0.5 migration scenario, 24,648,888 from the US Census. However, the two figures differ by only 318,276, or approximately 1% of the highest projected total population.

Additionally, this section contains a significant amount of information from the Center for Demographic and Socioeconomic Research and Education (Center), which is the lead entity for the TSDC, and the Office of the State Demographer. The Center's *Texas Challenge in the Twenty-First Century* publication has projection data for a variety of subjects and scenarios, and is a comprehensive source for many factors affecting the state.

Overall Population Growth

Historically, Texas has been one of the fastest growing states in the nation. According to US Census data, the Texas population expanded by nearly a quarter (22.8 percent) between 1990 and 2000, far exceeding the national growth average of 13.2 percent for the same decade. The increase in state population by 3,865,310 persons was the largest of any decade in Texas history. More than one of every nine persons added to the population of the United States in the 1990s was added in Texas.

For 2000, the US Census reported that 20,851,820 individuals lived in Texas, second only to California in terms of total state population. According to July 2004 estimates compiled by the US Census, Texas's population had grown by 7.9 percent since April 2000 to 22,490,022 people, again exceeding the national growth rate of 4.3 percent for the same period.

For the 2009-2013 Strategic Plan period, both sources estimate that the Texas population will increase by at least 1.37 percent each year. The US Census projects a 6.28 percent growth rate from 2009 to 2013, while the TSDC 0.5 migration scenario projects a 6.05 percent growth rate.

¹³ Texas State Data Center, Populations Estimates and Projections Program, "2006 Methodology for Texas Population Projections," (October 2006)
http://txsdc.utsa.edu/tpepp/2004projections/2004_txpopprj_method.php.

Table 15: Texas Population Projections: 10-Year Period 2008-2018

Year	US Census Projection	Annual Change		TSDC 0.5 Projection	Annual Change	
		Number	Percent		Number	Percent
2008	23,898,665			23,614,468		
2009	24,273,816	375,151	1.57%	23,971,476	357,008	1.51%
2010	24,648,888	375,072	1.55%	24,330,612	359,136	1.50%
2011	25,026,846	377,958	1.53%	24,692,184	361,572	1.49%
2012	25,409,783	382,937	1.53%	25,056,035	363,851	1.47%
2013	25,797,428	387,645	1.53%	25,421,611	365,576	1.46%
2014	26,189,495	392,067	1.52%	25,788,872	367,261	1.44%
2015	26,585,801	396,306	1.51%	26,156,715	367,843	1.43%
2016	26,986,249	400,448	1.51%	26,525,347	368,632	1.41%
2017	27,391,070	404,821	1.50%	26,894,510	369,163	1.39%
2018	27,800,543	409,473	1.49%	27,264,177	369,667	1.37%
2009-2013		1,523,612	6.28%		1,450,135	6.05%

Sources: US Census, TSDC

Future population trends point to continued rapid growth. The US Census projects that the population in Texas will reach 33,317,744 in 2030, which represents a 59.8 percent change from 2000 figures, and more than double the projected national growth rate of 29.2 percent.¹⁴

These population projections have a major effect on the need for housing. According to the 2000 US Census, Texas had a 90.6 percent housing occupancy rate. Without the construction of new units and/or the rehabilitation of existing substandard and future substandard units, the need for decent and affordable housing will be significant.

In terms of disability status, the 2000 US Census found 3.6 million people with some type of long lasting condition of disability in Texas, representing 19.2 percent of the total non-institutionalized population aged 5 and older. The Center projects that the total number of incidences involving disabilities will increase by 202.2 percent from 2000 to 2040.¹⁵

Aging Population

According to the 2000 US Census, 2,072,532 persons, or 9.9 percent of the total Texas population, are age 65 or older. The Census projected that, for 2005, individuals age 65 and older totaled 2,268,604 and comprised 10.0 percent of the total Texas population.

¹⁴ US Census, "Interim Projections: Ranking of Census 2000 and Projected 2030 State Population and Change 2000 to 2030," <http://www.census.gov/population/projections/PressTab1.xls>.

¹⁵ Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas*, by Steve H. Murdock et. al. (Texas A&M University System, December 2002), 139, <http://txsdc.utsa.edu/download/pdf/TxChall2002.pdf>.

There is an identified aging trend in Texas. In 1980, the median age was 28.0; in 1990, the median age was 30.8; and in 2000, the median age was 32.2.¹⁶ Furthermore, it is assumed that this trend will continue, with nearly one-in-five individuals (nearly 20 percent) with an age of 65 or older by the middle of this century.

Population projections point to an increased aging population in Texas. Comparing age groups, individuals 65 and older are projected to be the population with the highest growth. An increasingly older population leads to growth in owner-occupied housing because older households tend to have higher rates of homeownership.¹⁷ Furthermore, with an increasingly elderly population over age 65, home repair programs, including those that include home modifications for accessibility, may grow in demand.

An American Association of Retired Persons study found that 90 percent of elderly persons expressed a desire to stay in their own homes as long as possible.¹⁸ Of all elderly households, 80 percent own their own homes.¹⁹ In general, more elderly homeowners live in older homes than the majority of the population; in 2005, the median year of construction for homes owned by elderly households was 1966.²⁰ Due to their age, homes owned by the elderly are often in need of repair, weatherization, and energy assistance.

For those persons who cannot or do not wish to remain in their own homes, TDHCA multifamily development activities help provide affordable rental units. In many cases, these units are part of apartment developments specifically designed for and occupied by older households. These developments have design features, amenities, and supportive services geared to their specific needs and preferences.

¹⁶ Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 16.

¹⁷ Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 144.

¹⁸ Texas Department on Aging, Office of Aging Policy and Information, *The State of Our State on Aging* (Austin, TX: Texas Department on Aging, December 2002), 19, http://www.dads.state.tx.us/news_info/publications/studies/SOSHHighRez.pdf.

¹⁹ US Department of Health and Human Services, Administration on Aging, *A Profile of Older Americans: 2003* (US Department of Health and Human Services), 11, <http://www.aoa.dhhs.gov/prof/Statistics/profile/2003/2003profile.pdf>

²⁰ US Department of Health and Human Services, "A Profile on Older Americans", <http://www.aoa.gov/prof/statistics/profile/profiles.asp> (Accessed 5/30/08).

Table 16: Texas Population by Age Group: 10-Year Period 2008-2018

Year	Annual Change			Annual Change		
	0-17	Number	Percent	18-24	Number	Percent
2008	6,594,289			2,465,998		
2009	6,687,664	93,375	1.42%	2,487,428	21,430	0.87%
2010	6,785,408	97,744	1.46%	2,504,460	17,032	0.68%
2011	6,889,979	104,571	1.54%	2,517,981	13,521	0.54%
2012	7,003,380	113,401	1.65%	2,528,448	10,467	0.42%
2013	7,123,330	119,950	1.71%	2,535,205	6,757	0.27%
2014	7,246,675	123,345	1.73%	2,540,266	5,061	0.20%
2015	7,376,218	129,543	1.79%	2,535,506	-4,760	-0.19%
2016	7,508,513	132,295	1.79%	2,532,069	-3,437	-0.14%
2017	7,639,597	131,084	1.75%	2,535,322	3,253	0.13%
2018	7,762,744	123,147	1.61%	2,553,765	18,443	0.73%
2009-2013		435,666	6.51%		47,777	1.92%

Year	Annual Change			Annual Change		
	25-64	Number	Percent	65+	Number	Percent
2008	12,393,611			2,444,767		
2009	12,582,055	188,444	1.52%	2,516,669	71,902	2.94%
2010	12,771,637	189,582	1.51%	2,587,383	70,714	2.81%
2011	12,954,759	183,122	1.43%	2,664,127	76,744	2.97%
2012	13,102,550	147,791	1.14%	2,775,405	111,278	4.18%
2013	13,252,187	149,637	1.14%	2,886,706	111,301	4.01%
2014	13,406,107	153,920	1.16%	2,996,447	109,741	3.80%
2015	13,561,194	155,087	1.16%	3,112,883	116,436	3.89%
2016	13,717,895	156,701	1.16%	3,227,772	114,889	3.69%
2017	13,867,455	149,560	1.09%	3,348,696	120,924	3.75%
2018	14,006,204	138,749	1.00%	3,477,830	129,134	3.86%
2009-2013		670,132	5.33%		370,037	14.70%

Source: US Census

Race and Ethnicity

Texas is experiencing a shift toward racial and ethnic diversity. During the 1980s, the White population increased by 10.1 percent, but by only 7.6 percent during the 1990s; the Black population increased by 16.8 percent during the 1980s and 22.5 percent during the 1990s; the Hispanic population increased by 45.4 percent during the 1980s and 53.7 during the 1990s; and the Other racial/ethnic population increased by 88.8 percent during the 1980s and 81.2 percent during the 1990s.²¹ The 2000 US Census found that the racial composition of the state was 52 percent White, 32 percent Hispanic, 12 percent Black, and 4 percent Other.

²¹ Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, xxv.

Future projections point to a shift from a majority White population to a majority of other racial and ethnic groups. According to TSDC projections using the 0.5 migration scenario, Whites are expected to comprise 50 percent of the total Texas population in 2009, and 49.4 percent of the total population in 2011. The White population is expected to grow by only 0.5 percent from 2009 to 2013, while the Hispanic population is expected to grow by 6.7 percent during this period.

This racial shift is expected to have important implications on Texas households as a whole. Because of the rapid growth of Hispanic and Other populations, the expected result is a higher proportion of married-couple and married-couple-with-children households.²² As for income, unless the wealth of non-White populations changes, the income distributions of households will shift towards lower income categories because of the rapid growth of Hispanic and Black populations, which tend to have lower incomes.²³ Furthermore, the growth of non-White populations, which tend to have higher rates of rentership, is projected to fuel the need for rental housing.²⁴

²²Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 60.

²³Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 87.

²⁴Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 144.

Table 17: Texas Population by Race and Ethnicity: 2008-2018

Year	Total Population	White	Percent	Hispanic	Percent	Black	Percent	Other	Percent
2008	22,444,524	11,296,578	50.33%	7,791,534	34.71%	2,589,334	11.54%	767,078	3.42%
2009	22,625,789	11,315,150	50.01%	7,926,700	35.03%	2,608,554	11.53%	775,385	3.43%
2010	22,802,947	11,331,872	49.69%	8,060,601	35.35%	2,627,276	11.52%	783,198	3.43%
2011	22,976,138	11,346,778	49.39%	8,193,230	35.66%	2,645,510	11.51%	790,620	3.44%
2012	23,145,223	11,359,813	49.08%	8,324,719	35.97%	2,663,109	11.51%	797,582	3.45%
2013	23,310,014	11,370,878	48.78%	8,454,974	36.27%	2,679,950	11.50%	804,212	3.45%
2014	23,470,288	11,379,849	48.49%	8,583,964	36.57%	2,696,021	11.49%	810,454	3.45%
2015	23,625,627	11,386,500	48.20%	8,711,641	36.87%	2,711,138	11.48%	816,348	3.46%
2016	23,776,005	11,390,625	47.91%	8,838,109	37.17%	2,725,286	11.46%	821,985	3.46%
2017	23,921,512	11,392,219	47.62%	8,963,594	37.47%	2,738,436	11.45%	827,263	3.46%
2018	24,062,378	11,391,199	47.34%	9,088,371	37.77%	2,750,527	11.43%	832,281	3.46%

Population Change by Number and Percent

2009-2013		55,728	0.49%	528,274	6.66%	71,396	2.74%	28,827	3.72%
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Source: TSDC

Income

According to the 2000 US Census, the median household income in 1999 was \$39,927, which was less than the national median of \$41,994. Historically, the median income in Texas has tended to grow. In 1999 dollars, the Census reports that, in 1969, the household median income in Texas was \$29,535; in 1979, the median income was \$35,744; and in 1989, the median income was \$35,246.²⁵ The 2006 American Community Survey administered by the US Census reports that the median household income (in 2006 dollars) was \$44,922.

The Center has computed projected incomes in Texas for 2000, 2010, 2020, 2030, and 2040. Projections based on the 0.5 migration scenario are provided for 2000, 2010, and 2020 below, and demonstrate an increasing proportion of the population with incomes below \$40,000. The authors state that the median household income will actually decline by \$5,061 between 2000 and 2040 (in 2000 constant dollars) based on the 0.5 migration scenario.²⁶ This decline is attributed to the rapid increase of Hispanic and Black populations and assumes that the socioeconomic gap between these groups and Whites will not change.

²⁵US Census, "Table S1: Median Household Income by State: 1969,1979,1989, 1999, <http://www.census.gov/hhes/www/income/histinc/state/state1.html>

²⁶Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 95.

Table 18: Household Income in Texas by Income Category: 2000, 2010, and 2020

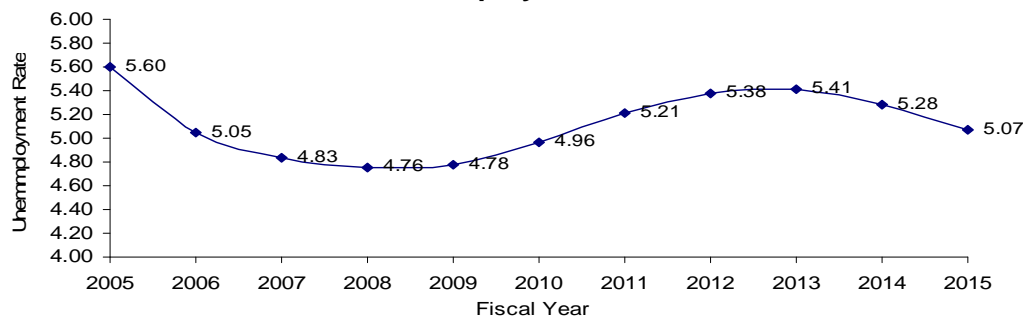
Income Level	2000		2010		2020	
	Households	Percent	Households	Percent	Households	Percent
\$ < 10,000	766,818	10.37%	955,412	10.83%	1,218,416	11.70%
10,000 - 14,999	490,683	6.64%	609,119	6.91%	774,050	7.43%
15,000 - 19,999	486,167	6.58%	602,598	6.83%	753,896	7.24%
20,000 - 24,999	517,230	7.00%	635,750	7.21%	779,300	7.48%
25,000 - 29,999	502,547	6.80%	613,060	6.95%	741,510	7.12%
30,000 - 34,999	493,044	6.67%	595,664	6.75%	710,347	6.82%
35,000 - 39,999	445,211	6.02%	534,047	6.06%	631,032	6.06%
40,000 - 44,999	416,276	5.63%	496,321	5.63%	580,765	5.58%
45,000 - 49,999	357,312	4.83%	424,119	4.81%	493,081	4.73%
50,000 - 59,999	636,916	8.61%	748,513	8.49%	858,280	8.24%
60,000 - 74,999	722,043	9.77%	837,711	9.50%	942,578	9.05%
75,000 - 99,999	705,480	9.54%	805,588	9.13%	888,233	8.53%
100,000 - 124,999	362,413	4.90%	412,025	4.67%	450,347	4.32%
125,000 - 149,999	173,454	2.35%	194,563	2.21%	210,353	2.02%
150,000 - 199,999	153,444	2.08%	171,121	1.94%	184,276	1.77%
200,000+	164,316	2.22%	183,108	2.08%	198,719	1.91%
Total	7,393,354	100.00%	8,818,719	100.00%	10,415,183	100.00%

Source: Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 106-107

If this projection towards lower incomes does indeed occur, then the need for housing and other assistance will be great. A higher proportion of households at the lowest levels will place an even higher demand on social services, energy assistance, and rental assistance programs. In terms of homeownership, the Office of the Comptroller predicts that the prime interest rate will generally increase from 5.7 percent in 2005 to 8 percent in 2010.²⁷ Lower incomes and the higher cost of borrowing money may push the dream of homeownership out of reach for many more households in the future.

A major factor influencing income is the unemployment rate. According to the Comptroller's Spring 2006 Fiscal Year Economic Forecast, the unemployment rate is projected to increase during the 2009-2013 planning period. Unemployment affects the demand for services, including rental assistance, energy assistance, and emergency financial assistance.

Table 19: Texas Unemployment Rates: 2005-2015



Source: Texas Office of the Comptroller

²⁷Texas Office of the Comptroller, "Spring 2006 Fiscal Year Economic Forecast," <http://www.window.state.tx.us/ecodata/fcst06spr/> (accessed May 17, 2006).

Poverty

The 2000 US Census reported that 15.4 percent of persons in Texas were below the poverty level, which was significantly higher than the national rate of 12.4 percent. According to the 2006 American Community Survey, the poverty rate for Texas is 16.9 percent compared to the national rate of 13.3 percent. Analyzing past Census data, Texas has historically had a poverty rate higher than that of the national average.

Based on Center for Demographic and Socioeconomic Research and Education projections for 2000, 2010, 2020, 2030, and 2040, the rate of families in poverty will increase. Projections based on the 0.5 migration scenario are provided for 2000, 2010, and 2020 below.

Table 20: Texas Families in Poverty: 2000, 2010, and 2020

Family Type	2000		2010		2020	
	Number	Percent	Number	Percent	Number	Percent
Family households	598,325	11.4%	783,058	12.3%	983,798	13.1%
Married couples	300,238	7.5%	401,877	8.4%	516,708	9.2%
With own children	207,093	10.3%	283,781	11.5%	364,502	12.7%
No own children	93,145	4.7%	118,096	5.1%	152,206	5.5%
Other families	298,087	23.7%	381,181	24.5%	467,090	24.9%
Male householders, no spouse	47,931	15.0%	63,005	15.6%	79,359	16.0%
With own children	31,134	19.8%	40,696	20.8%	50,174	21.9%
No own children	16,797	10.3%	22,309	10.6%	29,185	10.9%
Female householders, no spouse	250,156	26.7%	318,176	27.7%	387,731	28.1%
With own children	201,475	35.7%	256,149	37.0%	306,053	38.3%
No own children	48,681	13.0%	62,027	13.6%	81,678	14.0%

Source: Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 117

Increasing poverty populations will increase the demand for social services and emergency assistance, including rental assistance, energy assistance, and health and human services. In fact, the Center for Demographic and Socioeconomic Research and Education projects that the enrollment for Temporary Assistance for Needy Families, Food Stamps, and Medicaid will greatly increase between 2000 and 2040.²⁸

Population Distribution

The US Office of Management and Budget classifies areas as metropolitan statistical areas (MSAs) based on US Census data. These MSAs are comprised of core counties that have a high population density and surrounding counties that have economic integration with the core counties. Non-MSA counties are primarily rural. There are 25 designated MSAs in Texas that cover 77 of the 254 total counties, see Figure 3: Texas MSA Counties below.

In 2000, of the 20,851,820 people residing in the state, 86.1 percent resided in MSAs and 13.9 percent resided in non-MSAs. For year 2008, the TSDC, using its 0.5 migration scenario, projected that 86.8 percent of the population is living in MSAs compared to 13.2 percent

²⁸Center for Demographic and Socioeconomic Research and Education, *Texas Challenge in the Twenty-First Century*, 329.

residing in non-MSAs. This trend of MSA growth is projected to occur in the long term. In 2015, it is projected that 87.3 percent of the population will reside in the current MSA counties, and only 12.7 percent of the population will reside in non-MSA counties. For the 2007-2011 planning period, the population in MSA areas is expected to increase by 1,316,209 or 6.5 percent, whereas the population in non-MSA areas is expected to increase by only 116,043, or 3.75 percent.

Figure 3: Texas MSA Counties

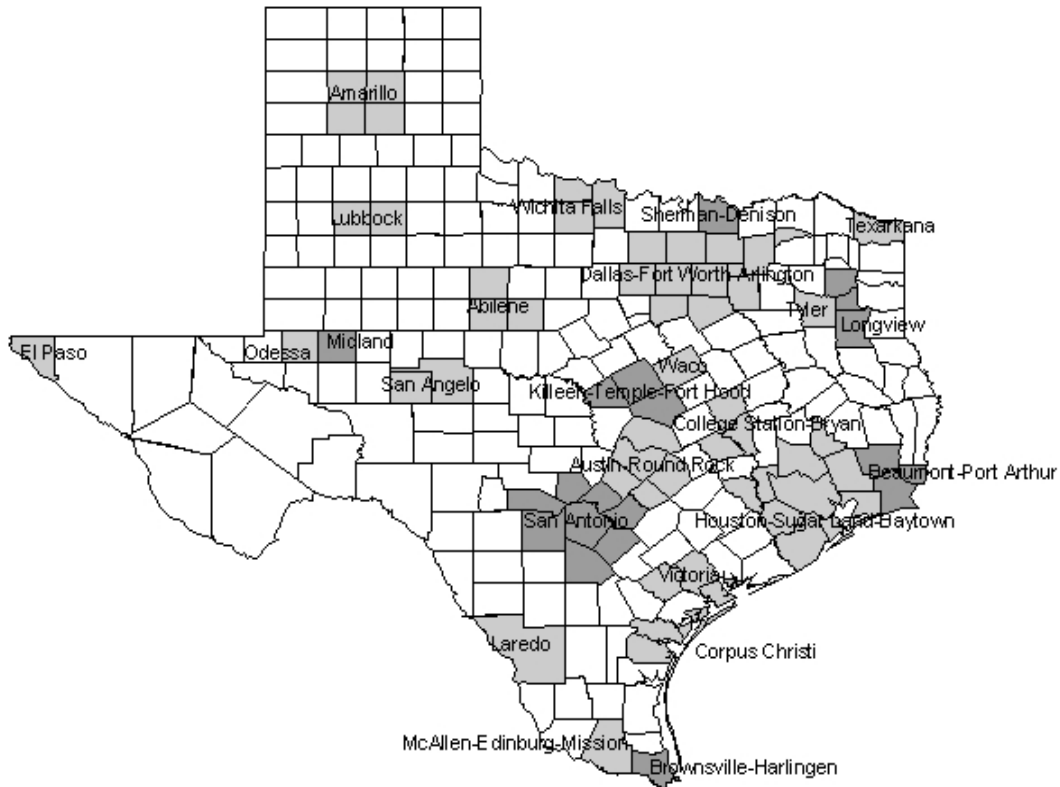


Table 21: Texas MSA and Non-MSA Population Projections: 2005-2009

MSA	2000	2005	2006	2007	2008	2009
Abilene	160,245	165,602	166,787	167,913	169,033	170,099
Amarillo	226,522	240,416	243,253	246,094	248,951	251,792
Austin-Round Rock	1,249,763	1,407,732	1,439,102	1,470,416	1,501,978	1,533,677
Beaumont-Port Arthur	385,090	395,275	397,272	399,245	401,324	403,471
Brownsville-Harlingen	335,227	374,529	382,615	390,794	399,097	407,212
College Station-Bryan	184,885	195,836	198,042	200,371	202,716	205,125
Corpus Christi	403,280	430,784	436,573	442,154	447,889	453,777
Dallas-Fort Worth-Arlington	5,161,544	5,668,679	5,772,996	5,878,313	5,983,434	6,089,460
El Paso	679,622	740,525	752,896	765,712	778,317	791,208
Houston-Sugar Land-Baytown	4,715,407	5,121,573	5,206,679	5,291,382	5,376,766	5,462,566
Killeen-Temple-Fort Hood	330,714	361,316	367,488	373,592	379,608	385,568
Laredo	193,117	226,847	233,782	240,821	248,087	255,354
Longview	194,042	200,411	201,871	203,310	204,776	206,211
Lubbock	249,700	263,147	265,155	267,125	269,231	271,247
McAllen-Edinburg-Mission	569,463	656,899	675,038	693,506	712,102	730,790
Midland	116,009	119,829	120,746	121,716	122,656	123,678
Odessa	121,123	126,658	127,911	129,141	130,402	131,657
San Angelo	105,781	109,731	110,560	111,381	112,190	112,984
San Antonio	1,711,703	1,830,229	1,853,729	1,877,150	1,900,717	1,924,663
Sherman-Denison	110,595	114,162	114,964	115,763	116,515	117,317
Texarkana	89,306	90,159	90,377	90,550	90,722	90,878
Tyler	174,706	181,254	182,700	184,107	185,602	187,152
Victoria	111,663	117,772	119,029	120,307	121,504	122,771
Waco	213,517	221,410	223,435	225,428	227,498	229,583
Wichita Falls	151,524	155,789	156,592	157,415	158,262	159,050

	2000	2005	2006	2007	2008	2009
Total MSA	17,944,548	19,516,564	19,839,592	20,163,706	20,489,377	20,817,290
Percent	86.06%	86.52%	86.61%	86.69%	86.77%	86.84%
Total Non-MSA	2,907,272	3,039,463	3,067,635	3,096,203	3,125,131	3,154,172
Percent	13.94%	13.48%	13.39%	13.31%	13.23%	13.16%

State of Texas | 20,851,820 | 22,556,027 | 22,907,227 | 23,259,909 | 23,614,508 | 23,971,462
 Source: TSDC

In addition to a greater share of the population, these metropolitan areas also generally have a greater share of industry and jobs, which leaves less-populous areas with dilapidated housing stock and households with lower incomes. According to the US Department of Housing and Urban Development, the FY 2005 median income for Texas Metropolitan areas was \$55,500 compared to \$42,400 for non-metropolitan areas.²⁹ The 2000 Census estimated this gap to be \$47,961 for metro areas and \$36,724 for non-metro areas.

²⁹HUD, FY 2005 HUD Income Limits Briefing Materials, 26, <http://www.huduser.org/datasets/il/il05/briefing-materials.pdf> (accessed May 17, 2006).

Table 22: Texas MSA and Non-MSA Population Projections: 2010-2015

MSA	2010	2011	2012	2013	2014	2015
Abilene	171,132	172,130	173,089	173,993	174,821	175,621
Amarillo	254,636	257,455	260,282	263,093	265,864	268,653
Austin-Round Rock	1,565,466	1,597,777	1,630,412	1,663,329	1,696,447	1,729,970
Beaumont-Port Arthur	405,539	407,506	409,561	411,552	413,563	415,460
Brownsville-Harlingen	415,569	424,050	432,313	440,864	449,208	457,563
College Station-Bryan	207,519	209,895	212,211	214,517	216,811	219,130
Corpus Christi	459,482	465,287	471,112	476,754	482,551	488,183
Dallas-Fort Worth-Arlington	6,197,537	6,305,654	6,415,441	6,526,542	6,638,796	6,751,742
El Paso	803,967	816,863	829,469	842,162	854,897	867,435
Houston-Sugar Land-Baytown	5,548,714	5,636,463	5,724,714	5,813,112	5,903,156	5,993,067
Killeen-Temple-Fort Hood	391,552	397,441	403,346	409,176	414,919	420,718
Laredo	262,823	270,282	277,865	285,619	293,501	301,411
Longview	207,689	209,193	210,691	212,192	213,640	215,133
Lubbock	273,268	275,184	277,016	278,753	280,410	281,971
McAllen-Edinburg-Mission	749,868	769,405	789,145	808,871	829,083	849,980
Midland	124,658	125,669	126,666	127,660	128,625	129,574
Odessa	132,875	134,121	135,336	136,534	137,721	138,820
San Angelo	113,763	114,471	115,147	115,805	116,405	116,960
San Antonio	1,947,929	1,971,212	1,994,779	2,018,550	2,041,207	2,064,284
Sherman-Denison	118,083	118,860	119,657	120,430	121,163	121,919
Texarkana	91,017	91,181	91,281	91,385	91,468	91,549
Tyler	188,622	190,175	191,724	193,232	194,804	196,328
Victoria	124,036	125,306	126,590	127,966	129,218	130,496
Waco	231,711	233,794	235,878	237,924	239,910	241,913
Wichita Falls	159,822	160,541	161,322	162,027	162,765	163,411

	2010	2011	2012	2013	2014	2015
Total MSA	21,147,277	21,479,915	21,815,047	22,152,042	22,490,953	22,831,291
Percent	86.92%	86.99%	87.07%	87.14%	87.21%	87.29%
Total Non-MSA	3,183,366	3,212,246	3,240,966	3,269,593	3,297,917	3,325,470
Percent	13.08%	13.01%	12.93%	12.86%	12.79%	12.71%

State of Texas | 24,330,643 | 24,692,161 | 25,056,013 | 25,421,635 | 25,788,870 | 26,156,761
 Source: TSDC

V. TECHNOLOGICAL DEVELOPMENTS

A. Impact of Technology on Current Operations

The business of the Department continues to be enhanced by technology. Today, almost all agency services have a Web component. By using the TDHCA Interactive link on the agency Web site, households in need can directly access systems that support housing, community services, energy assistance, and manufactured housing information and services.

The Department’s custom-designed applications are created using a combination of Oracle PL/SQL and Java. Both development languages are Web-enabled; the latter is platform independent and license free. The database platform that backs new development work is

Oracle. Agency operations are greatly impacted by new development work, which involves redesigning, integrating, and converting legacy applications to a Web-based environment.

TDHCA's financial management systems are PeopleSoft Financials and the Mitas Automated Accounting and Loan Servicing systems. In cooperation with the Office of the Comptroller of Public Accounts, the Department upgraded to the current Integrated Statewide Accounting System version of PeopleSoft Financials in FY 2007. The Mitas Loan Servicing system was implemented on September 1, 2003, and replaced and integrated the functions of four systems on separate platforms.

The Department supports both its internal and external technology-based services through a combination of Sun Solaris, Linux, FreeBSD, and Windows servers and gigabit-per-second enabled Cisco networking equipment. TDHCA's computing environment includes multiple Web, application, email, file, and database servers that work together to form the Department's Internet presence and to meet internal computing and network needs. Workgroup collaboration is facilitated by file sharing; intranet pages and postings; shared databases; and MS Exchange features such as email, Outlook WebAccess, calendars, and scheduling.

B. Impact of Anticipated Technological Advances

In the FY 2009-2013 time period, TDHCA's Information Systems Division will continue to focus on the Department's mission, goals, and objectives. All current and future projects involving technology will support the business of the agency, and the Department will continue to make use of technology described in this and past Strategic Plans.

C. Degree of Agency Automation and Telecommunications

The Department's Internet and intranet Web servers continue to serve as front-ends used to disseminate information to the public and employees and as places to update and maintain the Department's data in a dynamic fashion. A number of applications have been converted from legacy systems into a Web format, making these applications accessible using a Web browser. They can be accessed from the network or remotely using any Internet connection.

TDHCA's financial management system closely follows Office of the Comptroller of Public Accounts procedures to simplify interfaces and data exchange between the two agencies. Additionally, financial information is shared with other agency applications through interfaces and real-time database links.

Using desktop management software, TDHCA's Information Systems Division (ISD) can automatically deploy software applications, quickly rebuild PCs and laptops, and electronically obtain hardware and software inventory from individual workstations. These products allow staff to control personal computer configurations more effectively and provide faster support to Department employees.

Any agency employee can electronically submit a help desk request for a hardware or software problem. These requests are assigned according to the nature of the problem to be handled by appropriate ISD staff. Project and software enhancement requests go through a formal change control process that requires originating division director and then steering committee approval.

As technology and TDHCA systems evolve, ISD continuously aims to improve ease of data access, provide secure data exchanges, and increase the cost effectiveness of information technology solutions. In these efforts, ISD management works with senior management and the steering committee to ensure alignment with business objectives and proper IT governance.

D. Anticipated Need for Automation

The Department renews its software and hardware maintenance contracts and disaster recovery services on a yearly basis. The planned FY 2009 contracts for server hardware and software installed on servers are listed in the Department's Planned Procurement Schedule.

The Department leases one T-1 circuit for Internet services and ten fractional T-1 circuits for TDHCA's regional offices through the Department of Information Resources.

Budgeted costs for planned IT acquisitions, contracts, and service renewals will be detailed in the TDHCA Information Technology Detail and Legislative Appropriations Request. Actual costs are maintained in the Department's financial management system.

E. Technology Initiative Alignment

"Technology Initiative Alignment" is the strategic alignment of technology initiatives with agency business needs and priorities. This alignment promotes collaboration between the agency's business and IT leaders, and promotes innovative technology solutions that enable the agency to achieve its objectives. The agency's governance structure guides the creation of technology initiatives to ensure that these initiatives align with the agency's business needs and priorities. Additionally, strategically aligning agency technology initiatives with the statewide technology objectives in the State Strategic Plan (The Texas Transformation) drives economies of scale, increases interoperability among the state's information systems, and promotes interagency collaboration.

TDHCA TECHNOLOGY INITIATIVE ALIGNMENT					
TECHNOLOGY INITIATIVE	RELATED AGENCY OBJECTIVE	RE-LATED SSP STRATEGY/ (IES)	STATUS	ANTICIPATED BENEFIT(S)	INNOVATION, BEST PRACTICE, BENCH-MARKING
Improve security policies and practices.	All goals/objectives.	3-1	Planned	Decreases the risk of unintended access to agency information.	Benchmarking: TDHCA will use online DIR IT Security and National Institute of Standards and Technology resources.
Maintain, upgrade, secure, and enhance TDHCA's programmatic and financial systems for managing loans and grants.	Goal/Objective 1-1. Increase Availability of Safe/Decent/Affordable Housing – Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing	3-1 4-2 5-1	Current	Ensures that agency systems for managing loans and grants are in alignment with changing business processes, financial transactions are securely exchanged with the Comptroller's Office and other organizations, and program participants have the ability to report to TDHCA online.	
Redesign TDHCA Web site to provide customers easier access to information.	Goal/Objective 2-1. Provide Information and Assistance – Provide Information and Assistance for Housing and Community Services	4-1 5-1	Current	Provides visitors easier access to information by asking them to select a customer type.	Benchmarking: TDHCA conducted a review of Web sites of other housing finance agencies, Texas state agencies, and businesses.
Host and maintain the Texas Interagency Council for the Homeless Web site.	Goal/Objective 3-1. Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs – Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year	4-4	Current	Assists the council in fulfilling major functions, including helping coordinate the delivery of services for the homeless in Texas and maintaining a central resource and information center for the homeless.	
Maintain, upgrade, secure, and enhance TDHCA's monitoring systems.	Goal/Objective 4-1. Ensure Compliance with Program Mandates – Monitor Developments & Subrecipient Contracts for Compliance	3-1 5-1	Current	Reduces paper processing through online reporting by property managers; increases efficiency through an enterprise architecture in which common data elements are shared with other agency systems.	

Deploy a new Manufactured Housing System that supports all major MH business functions and provides customers with the ability to retrieve MH information and submit forms and associated payments online.	Goal/Objective 5-1. Regulate Manufactured Housing Industry – Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other	1-3 4-1 5-1	Current	Provides MH customers with increased access and flexibility; reduces data entry required by MH staff.	Best Practice: Use of Texas Online for all online payments.
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VI. ECONOMIC VARIABLES

This section identifies key economic variables affecting the Department’s activities. This discussion includes: a brief description of each variable, the extent to which each variable affects service populations; potential changes to each variable; and possible responses to address these changes.

Foreclosures

The recent nationwide increase in home foreclosures is seen as an unintended side effect of extending homeownership opportunities to higher risk households with limited incomes and wealth.³⁰ According to RealtyTrac, a real estate statistics firm, the number of homes in some stage of foreclosure increased 112% in the first quarter of 2008 compared to the same quarter in 2007.³¹ The same report indicated that Texas had the 17th highest rate of foreclosure filings in the nation for this quarter. Texas experienced a 28.8% increase in foreclosure filings this quarter over the same quarter in 2007. Nearly all of the state’s largest metropolitan areas, including Dallas, Fort Worth/Arlington, Houston/Baytown/Sugar Land, Austin/Round Rock, San Antonio, and McAllen/Edinburg, shouldered significant increases in the rate of filings during this period.

The current housing predicament could have a variety of implications. A glut of owners losing their homes adds to the number of households competing for low-cost rentals. At the same time, increasing foreclosures threaten renters living in foreclosed properties with sudden eviction, according to a report from Harvard University’s Joint Center for Housing Studies.

In response to this homeownership crisis, TDHCA has joined with NeighborWorks America, as well as representatives from local governments, the financial industry, and the non-profit sector to form the Texas Foreclosure Prevention Task Force. The primary activity of the Task Force is to raise awareness about the nationally endorsed bilingual Homeowner’s HOPE Hotline (1-888-995-HOPE) available to homeowners struggling with their mortgage payments. Additionally, the Task Force supports the outreach efforts of local foreclosure

³⁰ “America’s Rental Housing: The Key to a Balanced National Policy,” Harvard University Joint Center for Housing Studies. April 30, 2008.

³¹ “U.S. Foreclosure Activity Increases 23 Percent in First Quarter,” RealtyTrac. April 29, 2008. www.realtytrac.com/ContentManagement/PressRelease.aspx

prevention initiatives and monitors mortgage default patterns and trends in Texas through ongoing research to support timely intervention.

The households assisted through TDHCA's low-interest mortgages and down payment programs are verified for credit worthiness and to ensure that the household can comfortably afford the mortgage. Furthermore, all TDHCA mortgages are stable 30-year, fixed rate mortgages, which help households to avoid the pitfalls of adjustable rate loans.

Tightened Lending Standards

In the wake of the nationwide subprime mortgage and home foreclosure crisis, banks and other lending institutions have tightened their lending standards and terms. In a survey conducted by the Federal Reserve in January 2008, more than half of banks said they had toughened lending requirements even on loans to borrowers with strong credit.³² This trend limits the availability of home loans to borrowers, particularly those with weaker credit histories. Additionally, a return to higher down payment requirements has reintroduced a hurdle that had been reduced for some homebuyers in recent years by low down payment loans.³³ A March 2008 assessment by the Associated Press, based on industry data and interviews with lenders, estimated that lending standards are now the strictest they have been "in 20 years."³⁴

The Department's down payment assistance and low interest home mortgage loan programs help very low and low income Texans overcome obstacles to homeownership. Down payment assistance is available through the Department's Texas First Time Homebuyer Program to qualified applicants and the American Dream Downpayment Initiative, administered by the HOME Division. Additionally, the Department's Texas State Homebuyer Education Program certifies providers who offer classes to prospective buyers.

Energy Costs

Energy costs often constitute the largest single housing expense after food and shelter for lower income families. For low-income households, utility costs often consume 17 percent or more of annual gross incomes and account for nearly one-fourth of total housing costs. More than 60 percent of TDHCA Energy Assistance applicant households spend more than 30 percent of household incomes on home energy. Increasing energy costs increase the demand for energy-related assistance. Between 2003 and 2007, the average benefit amount for home energy in Texas increased an average of 16 percent, from \$359 in 2003 to \$598 in 2007. That trend could increase the 2008 average household benefit amount to more than \$700.

³² "The January 2008 Senior Loan Officer Opinion Survey on Bank Lending Practices," The Federal Reserve. <http://www.federalreserve.gov/boarddocs/SnLoanSurvey/200801/default.htm>

³³ "Lending Standards Tighten For Many," Texas Real Estate Center, March 2008. <http://recenter.tamu.edu/mnews/newsSearch.asp?MODE=RECON&CID=2077>

³⁴ "Lending Standards As Strict As 20 Years Ago," Associated Press, March 22, 2008. <http://www.heraldextra.com/content/view/259795/18/>

Texas residential electricity prices rose an estimated 31 percent after the 2005 hurricanes, Katrina and Rita, and another 36 percent in 2006. As a preferred fuel for generating electricity, the price of natural gas directly affects the price of electricity. Moderating natural gas prices in 2007 can be credited for a 9-10 percent decrease in residential electricity prices. Nevertheless, something else again happened in the first 4 months of 2008. Natural gas prices increased by approximately 65 percent -- to about \$11 per 1,000 cubic feet (mcf) – between December 2007 and April 2008.

TDHCA Energy Assistance programs, funded by the U.S. Department of Health and Human Services' Low-Income Home Energy Assistance Program (LIHEAP), assist low and very low-income households make short-term home energy payments, weatherize homes, make other home energy efficiency improvements, and otherwise encourage home energy efficiency. LIHEAP and U.S. Department of Energy (DOE) grants enable TDHCA to assist about 5-6% of the income-eligible population – households with incomes at or below 125% of federal poverty guidelines (adjusted annually).

TDHCA will continue to effectively administer its Low-Income Home Energy Assistance Program and DOE Weatherization Assistance programs to help with the needs created by rising home energy costs.

Rental Submarket Characteristics

TDHCA's rental development activities are directly affected by submarket rent levels and vacancy rates as these issues affect the feasibility of all rental housing developments. Therefore, changes in the rental market directly impact what types of development are feasible and where affordable units can be built. To address local concerns over concentration issues, local governments may create standards and regulations within their consolidated planning documents that limit the amount of affordable housing that may be constructed within their community and provide the local governing entity the ability to increase the quantity of affordable housing above the level approved in the plan through the passing of a resolution.

A specific example of how the Department's activities are affected by market characteristics can be found in the allocation of mortgage revenue bond funds. The Department issues tax-exempt and taxable multifamily mortgage revenue bonds to fund loans to for-profit and qualifying nonprofit 501(c)(3) organizations to finance the costs of acquiring, constructing and equipping of affordable rental housing units. As with all of the Department's rental activities, properties financed through this program are subject to income and rent restrictions for lower income tenants and persons with special needs, tenant service programs, quality and amenity threshold criteria and other requirements as determined by the Department and its governing Board. While these developments are similar to those funded by Housing Tax Credits (HTC) (and are eligible to receive tax credits along with the bonds), the bond programs and the HTC program are administered and allocated differently.

- The Private Activity Bond Program is administered by the Texas Bond Review Board utilizing local and state qualified bond issuers, initially through a non-competitive lottery process. Due to the participation of other bond issuers, the Department has less control over where developments are located. Because the Department is the only HTC allocating agency for the state, developers must also apply to the Department for the HTC portion of the bond transaction. Therefore the Department attempts to assist local governing entities with submarket concentration issues as a result of the allocation of the HTC portion of the bond truncation through the use of various controls including, but not limited to, a one mile statutory limitation that restricts the new construction of affordable housing within one mile of another affordable housing development; another statutory restriction that prohibits the new construction of affordable housing in cities or counties that currently contain two times the state average of affordable housing on a per capita basis without the approval of the local governing entity; and the Department's policy to not exceed a twenty-five percent capture rate related to market demand and available housing units.
- Unlike the HTC program, the use of these funds is not financially feasible statewide without additional financial support through other funding sources. As compared to HTCs, the bonds have higher administrative costs due to the complexity of the transaction. The funding structure also requires higher rent levels in order to achieve a feasible cash flow. Because the higher rents are required, the bond transactions primarily occur in the state's four largest metropolitan areas (Dallas/Fort Worth, Austin, San Antonio, and Houston). Because the transactions are harder to structure, the desirability of sites in certain "qualified" census tracts that are designated by the Treasury to receive additional credits is increased. Again, this can add to submarket concentration concerns.

Destruction of Homes and Displacement of Populations Due to Natural Disasters

In August 2005, Texas absorbed more than 500,000 evacuees from the Gulf Coast areas devastated by Hurricane Katrina. Based on anecdotal evidence, state officials estimate 125,000 evacuees still reside in Texas, two and half years after the hurricane. The majority of this evacuee population remains in the Houston area. In September 2005, the Texas Coast was directly hit by Hurricane Rita. More than 75,000 homes in the 29 affected counties suffered major damage or were destroyed.³⁵ The effort to fully repair the damage in this region continues today.

The Community Development Block Grant (CDBG) Disaster Recovery programs administered through TDHCA address damage caused by Hurricane Rita with some programs targeted to Katrina evacuees offered through the City of Houston and Harris County.

³⁵ Office of the Governor, *Texas Rebounds*, (Austin, TX: Office of the Governor, February 2006).

Factors Affecting Developers

Recent turmoil in the housing and financial markets has also had a ripple effect on the developers of low-income housing. Developers utilizing the Housing Tax Credit program have encountered a contracting market for those credits, since uncertainties in the housing market and the volatility of the mortgage market have reduced investor activity. Housing developers are also experiencing an adverse shift in terms and availability on loans for land acquisition, land development, and construction, according to a report by the National Association of Homebuilders.³⁶

Additional factors putting pressure on developers are increasing construction costs and the rising cost of utilities due to higher energy costs. Because utility costs are deducted from Housing Tax Credit program rent limits, utilities reduce the amount of rent that can be collected from each unit. Developers face a problem when utility costs rise faster than rent limits, and net rental income is reduced. Tax credit rent limits have been stagnant in many areas of the country, partly due to changes made by HUD for determining area median incomes. Rising expenses, such as construction and insurance costs, also compound this issue.

VII. IMPACT OF FEDERAL STATUTES/ REGULATIONS

A. Role of Federal Involvement

Of TDHCA's program funding, 95 percent comes directly from the Federal Government. Since almost all of its funds are derived from federal sources, TDHCA activities and the corresponding beneficiaries have been and continue to be dictated by federal statutes. A brief description of each of those sources is provided below.

B. Description of Current and Anticipated Federal Activities

Community Development Block Grant Program (CDBG)

Source: US Department of Housing and Urban Development

Statute: 42 USCA § 5301 *et seq.*

Regulations: 24 CFR part 570

Purpose: The primary purpose of CDBG is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for low and moderate income persons. While ORCA administers the state's formula allocation of CDBG funds, TDHCA, as lead agency, and ORCA are jointly administering CDBG funding provided for rebuilding after Hurricane Rita. ORCA also provides CDBG funds for the operation of seven Colonia Self-Help Centers. A second allocation of \$428.6 million in supplemental CDBG disaster recovery funding was allocated by the federal government to further hurricane recovery efforts. This round of funding is currently being administered by TDHCA and ORCA, with a large portion of the funds distributed through a third party project management firm, ACS State and Local Solutions.

³⁶ "Credit Tightening On Builder Loans Threatens To Prolong Housing Downturn," National Association of Homebuilders, April 30, 2008. http://www.nahb.org/news_details.aspx?newsID=7060

Community Services Block Grant Program (CSBG)

Source: US Department of Health and Human Services

Statute: 42 USCA § 9901 *et seq.*

Purpose: CSBG funds provide administrative support to the Community Action Network (Network) in Texas, organizations serving migrant seasonal farmworkers, and Native Americans. CSBG funds provide support which enables the Network to operate a comprehensive array of programs that address needs of low-income persons in the areas of education, nutrition, emergency services, employment, housing, health, income management, programs to assist persons obtain self-sufficiency, and information and referral services to link persons with other services available in the community. In many rural areas of the State, the Community Action Agency is one of a handful of organizations providing emergency services and services which help transition persons out of poverty into self-sufficiency.

Status: The FY 2008 Health and Human Services Appropriations Act (PL 109-149) provided \$643 million for the CSBG, an increase of 3.65% from FY 2007. The Administration's budget requests for FY 2008 proposed elimination of the CSBG program. Texas will receive \$31.3 million in CSBG funds in FY 2008. A cut or loss of funding of CSBG would have a devastating impact on estimated 481,598 low income persons in Texas who are served annually by programs supported with CSBG funds. Due to the availability of CSBG funds in 2007, the Network in Texas was able to leverage approximately \$511 million dollars of state, local, and private funds and resources.

Emergency Shelter Grants Program (ESGP)

Source: US Department of Housing and Urban Development

Statute: 42 USCA § 11371 *et seq.*

Regulations: 24 CFR part 576

Purpose: The purpose of the ESGP program is to rehabilitate or convert buildings for use as emergency shelters for the homeless, to pay certain operating expenses and essential services in connection with emergency shelters for the homeless, and to provide homeless prevention activities.

Status: The U.S. Department of Housing and Urban Development's Community Planning and Development Program (CPD) 2008 allocations for the Community Development Block Grant; HOME Investment Partnership, including the American Dream Downpayment Initiative; Housing Opportunities for Persons with AIDS (HOPWA); and Emergency Shelter Grants (ESG) totaled \$385 million. Texas received \$11 million in ESG funds and of this, the Texas Department of Housing and Community Affairs received \$5.26 million.

Home Investment Partnerships Program (HOME)

Source: US Department of Housing and Urban Development

Statute: 42 USC §§ 12701-12839

Regulations: 24 CFR Part 92

Purpose: The HOME Investment Partnerships Program provides housing assistance for Low Income, Very Low Income, and Extremely Low Income people through

homebuyer/downpayment assistance, tenant-based rental assistance, new construction or rehabilitation of owner-occupied housing and investment in the acquisition and/or new construction or rehabilitation of affordable multifamily housing. Status: The FY 2008 HUD Appropriations Act (PL 110-161) provides approximately \$1.7 billion for the HOME program, an approximate three percent (3%) decline in allocation compared to FY 2007. For FY 2008, TDHCA anticipates receiving \$40,043,285, a combined \$39,776,588 in HOME Investment Partnership Program funds and \$266,637 in American Dream Downpayment Initiative (ADDI) funding to be distributed by HOME program staff.

Housing Tax Credit Program (HTC)

Source: US Treasury Department

Statute: 26 USCA § 42 (Internal Revenue Code of 1986, as amended)

Purpose: The HTC program provides credits against federal income taxes for owners of qualified low income rental housing projects and the allocation of available tax credit amounts.

Status: It is projected based on the per capita allocation formula that the state will receive \$63,000,000 in Housing Tax Credits in 2008 (\$48 million in competitive credits and \$15 million in non-competitive credits associated with tax exempt bond financing).

Mortgage Revenue Bond Programs (MRBs)

Source: US Treasury Department

Statute: 26 USCA § 143 (Internal Revenue Code of 1986, as amended)

Purpose: Under the MRB program, the Department issues mortgage revenue bonds to help lower income working families buy their first homes with low interest loans. It includes a multifamily bond program and several single family bond programs.

Status: It is projected that the MRB program will receive \$89,000,000 in 2008. The actual part of this amount that will be utilized may change significantly based on market conditions in the parts of the state where the bonds are supported by income levels and allowable rents.

Low Income Home Energy Assistance Program (LIHEAP)

Source: US Department of Health and Human Services

Statute: 42 USCA § 8621

Purpose: The LIHEAP program provides direct financial assistance for energy needs of low income persons through the Comprehensive Energy Assistance Program (CEAP), and to partially fund the Weatherization Assistance Program (see below).

Status: The Health and Human Services (HHS) received appropriated funds from the Consolidated Appropriations Act, 2008 (P.L. 110-161), which provided \$1.98 billion for LIHEAP. The Administration has proposed reducing LIHEAP funding to \$1.7 billion in FY 2009. Texas will receive approximately \$44.16 million in LIHEAP funding for FY 2009. If LIHEAP is cut to \$1.7 billion for FY 2009, Texas' share is likely to drop to \$37.81 million.

Weatherization Assistance Program (WAP)

Source: US Department of Energy (DOE) and US Department of Health and Human Services

Statute: 42 USCA § 6861

Regulations: 10 CFR part 440

Purpose: WAP provides residential weatherization and other cost-effective energy-related home repair to increase the energy efficiency of dwellings owned or occupied by low income persons.

Status: The FY 2008 DOE award to the State of Texas is \$5,549,413. The Department estimates the proposed funding for FY 2009 to be level funding at approximately \$5.5 million. The WAP receives approximately 15% of the LIHEAP allocation.

Section 8 Housing Assistance Program (Section 8)

Source: US Department of Housing and Urban Development

Statute: 42 USCA § 1437f

Regulations: 24 CFR 882.101 *et seq.*

Purpose: Section 8 provides rent subsidy vouchers to families and individuals, including the elderly and persons with disabilities, whose annual gross income does not exceed 50 percent of HUD's median income guidelines. The statewide program is designed specifically for needy families in small cities and rural communities not served by similar local or regional programs.

Status: The FY 2008 HUD Appropriations Act (PL 110-161) provides \$15.9 billion for the Section 8 program. TDHCA, which administers 1,064 vouchers out of 144,000 in the state, will receive approximately \$5.6 million for FY 2008 activities.

VIII. OTHER LEGAL ISSUES

The Texas Legislature has given local governments significant discretion over applications in areas where a potential over concentration of HTC units may exist. The Department works to ensure that local governments are aware of possible TDHCA funding awards in their community through an extensive notification process. With the provision of these notifications, local officials and community organizations are encouraged to comment on the need and impact of the development on local community. Such comments are considered in the final approval of the Board of the application.

In some programs, state and local support for an application is part of the scoring criteria in the application process. The Department's Multifamily Bond applications include scoring criteria that provides "points" for public comment from local officials. HTC and MRB applications receive points for receiving a commitment for local funding or in-kind contributions (i.e., donations of land, waivers of fees such as building permits, water and sewer tap fees or similar contributions) that would benefit the development. Applicants may also receive points for developing in locations with city or county-sponsored zones or districts or rehabilitating an existing Residential Development that is part of a Community Revitalization Plan.

Local governments control each applicant's ability to provide evidence of proper zoning for the development site and consistency with local consolidated planning documents. In instances where the property is not currently zoned for housing, the local government may deny a requested zoning change which would make the development ineligible for consideration.

Local governments have significant input on applications in their local areas.

- For applications that involve HTCs, applicants must receive a resolution from the local governing body for approval to add new units if the application is proposing new construction that is within one mile of an existing development that has received an allocation of Housing Tax Credits or Private Activity Bonds for new construction within the last three years and that serves the same population type (elderly/elderly or family/family). This applies to applications proposing New Construction and Adaptive Reuse in counties with over one million in population.
- Additionally, applications proposing development in a city or county that has more than twice the state average per capita of affordable housing units supported by Housing Tax Credits or Private Activity Bonds must receive a resolution from the local governing body for approval to develop in that city or county. This applies to applications proposing New Construction, Adaptive Reuse, and Acquisition / Rehabilitation.

While they do not impact TDHCA directly, the following local governmental issues can be barriers to the provision of affordable housing.

- Zoning provisions: A municipality's zoning authority governs the type and direction of growth within their boundaries. Ordinances may be passed to encourage affordable housing through measures such as lowering minimum lot sizes, decreasing building set-back requirements, and lowering minimum square footages of homes. However, ordinances that prohibit these types of activities can drive land and construction costs up to the point that affordable housing cannot be built.
- Impact Fees and Development Fees: As a condition of permit approval, municipalities may assess fees to pay for infrastructure costs. These impact fees increase the cost of developing all types of housing including affordable housing.

IX. SELF-EVALUATION AND OPPORTUNITIES FOR IMPROVEMENT

A. Effectiveness and Efficiency of the Department

Performance Measures

This section discusses TDHCA's performance with measures established by the 80th Legislature or by the Department. Goals one through five were established by the General Appropriations Act through interactions between TDHCA, the LBB, and the Legislature.

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.

External/Internal Assessment

Strategy 1.1

Provide mortgage financing and homebuyer assistance through the Single Family Mortgage Revenue Bond Program

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of single family households assisted through the First Time Homebuyer Program	1,727	2,727	158%	2,016

Explanation of Variance: Loan originations were higher in 2007 than anticipated due to the receipt of additional volume cap. Additionally, increased market interest rates generated higher demand for the Department's lower interest rate products.

Strategy 1.2

Provide funding through the HOME Program for affordable single family housing

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of single family households assisted with HOME funds	1,834	413	22.5%	1,255

Explanation of Variance: The total number of assisted units was lower than anticipated in 2007 due to a biennial funding cycle for 2006-2007 which resulted in fewer applications for the homebuyer assistance and tenant-based rental assistance activities.

Strategy 1.3

Provide funding through the HTF program for affordable single family housing

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of single family households assisted through the Housing Trust Fund	100	115	115%	228

Explanation of Variance: Performance was higher than anticipated in 2007 due to the closing out of previous fiscal year contracts and an elevated amount of technical assistance provided by the Department to ensure that the nonprofit organizations are meeting their performance benchmarks.

Strategy 1.4

Provide tenant-based rental assistance through Section 8 certificates

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted with tenant-based rental assistance	2,100	1,064	51%	1,494

Explanation of Variance: The targeted number was developed prior to a change in how the U.S. Department of Housing and Urban Development provides Section 8 Housing Assistance Program (HAP) funds. Provided funds are no longer based on the number of Housing Choice Vouchers available. In addition, the target was developed prior to the transfer of 560 vouchers to a local public housing authority.

Strategy 1.5 Provide federal tax credits to develop rental housing				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted with HTCs	18,832	12,998	69%	12,291

Explanation of Variance: Approximately \$3.7 million credits out of the 2007 credit allocation were awarded to developments that had previously received credits in 2004. These additional credits were due to substantial increases in construction costs associated with hurricane disasters. Because of the increase in construction costs, fewer units are produced on an annual basis.

Strategy 1.6 Provide funding through the HOME Program for affordable multifamily housing				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted with HOME funds	647	144	22.3%	500

Explanation of Variance: The HOME and Housing Tax Credit programs operated concurrent application cycles. Due to the competitiveness of the cycle, not all applicants that applied for both sources of funds were competitive in the Housing Tax Credit round and eligible for an award. Therefore, the awarding of HOME funds was limited to those applications that were competitive and received a Housing Tax Credit award.

Strategy 1.7 Provide funding through the Housing Trust Fund for affordable multifamily housing				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of multifamily households assisted through the Housing Trust Fund	255	0	0%	784

Explanation of Variance: The 2007 funding for the HTF was utilized to meet the statutorily required minimum of \$3,000,000 funding for the Bootstrap Loan Program.

Strategy 1.8 Provide funding through the Mortgage Revenue Bond Program for affordable multifamily housing				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of households assisted through the Mortgage Revenue Bond Program	3,500	2,997	86%	2,393

Explanation of Variance: Due to overall market and economic conditions, the bond program has not been as attractive as it has been in the past. This led to a reduction in the applications submitted. In the past, the Department has received several applications towards the end of the year which enable the Department to CarryForward additional allocation into the following year. In 2006, the Department did not receive additional applications at the end of the year and therefore did not have the additional allocation to CarryForward into 2007. This reduced the total amount of bond allocation issued by the Department. The increase in construction costs also affected the bond program, by reducing the number of units produced due to higher costs.

External/Internal Assessment

GOAL 2: TDHCA will promote improved housing conditions for extremely low, very low, and low income households by providing information and technical assistance.

Strategy 2.1

Provide information and technical assistance to the public through the Public Affairs Division and the Housing Resource Center

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of information and technical assistance requests completed	5,400	3,824	70.8%	4,900

Explanation of Variance: A new toll free number for the entire agency has resulted in more calls being directly routed to the appropriate division instead of being forwarded to the Housing Resource Center. The Department has also continued to improve its website so that potential requests can be resolved via the internet instead of through the Housing Resource Center.

Strategy 2.2

To provide technical assistance to colonias through field offices

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of on-site technical assistance visits conducted annually from the field offices	600	963	160.5%	800

Explanation of Variance: Technical assistance visits to units of local government and nonprofit organizations continued to increase due to various changes to the programs administered through the field offices.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target*
Number of colonia residents receiving assistance	1,700	827	48.6%	7,650

Explanation of Variance: The Border Field Offices focus on empowering the non-profit organizations to work with the colonia residents on a one-on-one basis. The units of local government and non-profit organizations provide the direct assistance to colonia residents on behalf of the Department. Therefore, the number of direct contacts between the Department and the colonia residents has decreased.

*Note that the definition of the measure has changed for 2008 and now includes assistance provided through the Colonia Self-Help Centers as well as the Colonia field offices.

Strategy Measure (C)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of entities and/or individuals receiving informational resources	1,200	631	52.5%	1,000

Explanation of Variance: Marketing of Colonia Initiatives, including the number of entities and/or individuals requesting and receiving information resources is a key performance goal. These figures were expected to increase upon the release of the Texas Bootstrap Loan Program NOFA in 2007. However, the new Texas Bootstrap Reservation System has delayed the release of the NOFA.

GOAL 3: TDHCA will improve living conditions for the poor and homeless and reduce the cost of home energy for very low income Texans.

Strategy 3.1
Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low income persons throughout the state.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of persons assisted through homeless and poverty related funds.	440,000	565,822	128.6%	512,244

Explanation of Variance: This measure is impacted by the number of persons assisted through the Community Services Block Grant (CSBG) and Emergency Shelter Grants Program (ESGP). The Department revised the reporting procedures for CSBG subrecipients allowing subrecipients to report all individuals assisted by all programs operated by the CSBG subrecipient. As a result of this change, CSBG subrecipients reported a higher number of persons assisted through homeless and poverty related funds.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of persons assisted that achieve incomes above poverty level.	2,000	3,087	154.4%	2,200

Explanation of Variance: Each year, CSBG subrecipients make improvements in the self-sufficiency case management programs they operate and this enables them to be able to transition a larger number of persons out of poverty. The Department expects that annually, CSBG contractors will assist more persons to transition out of poverty. However, it is difficult to estimate several years in advance how many persons CSBG subrecipients will enroll in self-sufficiency case management programs and how many of them will complete the program and finally transition out of poverty.

Strategy Measure (C)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of shelters assisted through the Emergency Shelter Grant Program.	70	76	108.5%	73

Explanation of Variance: This measure represents the number of contracts issued under the Emergency Shelter Grants Program (ESGP). At the time the measure was established, the Department anticipated funding fewer subrecipients than the number actually funded. It is difficult to determine how many contracts will be awarded. The number of contracts awarded varies by the amount of funds requested and awarded and the ranking of the applications based upon their score.

Strategy 3.2
Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and for assistance to very low income households for heating and cooling expenses and energy related emergencies.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of households assisted through the Comprehensive Energy Assistance Program.	63,200	83,529	132%	51,502

Explanation of Variance: High home energy prices contributed to higher demand for energy assistance.

External/Internal Assessment

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of dwelling units weatherized through the Weatherization Assistance Program.	4,800	5,404	112%	3,004

Explanation of Variance: The Department is above target for the year as a result of advantageous weather enabling higher weatherization production.

GOAL 4: TDHCA will ensure compliance with the Texas Department of Housing and Community Affairs' federal and state program mandates.

Strategy 4.1

The Portfolio Management and Compliance Division will monitor and inspect for Federal and State housing program requirements.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Total number of monitoring reviews conducted.	4,554	5,555	122%	5,072

Explanation of Variance: More onsite monitoring reviews were scheduled than were anticipated.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Total number of units administered	237,195	229,744	96.9%	242,766

Strategy 4.2

The Portfolio Management and Compliance Division will administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Total number of monitoring reviews conducted	9,220	11,474	124.5%	12,715

Explanation of Variance: All monitoring requests received by the Department require a review. Monitoring reviews include set up and draw reviews. As contracts near their expiration date, contractors submit more set up and draw reviews in order to complete them before contract expiration. Because several contracts expired during the quarter, the Department received a larger number of draw requests than projected.

Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of contracts administered	350	358	102.3%	430

GOAL 5: To protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

Strategy 5.1 Provide titling and licensing services in a timely and efficient manner.				
Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of manufactured housing statements of ownership and location issued.	89,000	86,035	96.7%	90,000
Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of licenses issued	4,435	2,602	58.7%	4,000
Explanation of Variance: Performance is under the targeted projection due to receiving fewer applications for new and renewed licenses.				

Strategy 5.2 Conduct inspections of manufactured homes in a timely manner.				
Strategy Measure (A)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of routine installation inspections conducted	8,000	4,603	57.5%	6,000
Explanation of Variance: The Department has experienced a higher level of non-routine inspection activity including an increased amount of affordable housing property inspections and complaint/investigative inspections. In addition, there have been several inspectors out on extended leave due to injuries. Although the measure is below the targeted number, the Department is meeting the program's statutory requirement to inspect at least 25% of installation inspections received. The actual year-to-date inspection rate is 30.76%.				
Strategy Measure (B)	2007 Target	2007 Actual	% of Goal	2008 Target
Number of non-routine installation inspections conducted	2,500	2,100	84%	2,200
Explanation of Variance: Education and enforcement keep the number of inspections with deviations low, which is desirable.				

Strategy 5.3 To process consumer complaints, conduct investigations, and take administrative actions to protect the general public and consumers.				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Number of complaints resolved	1,700	1,052	61.9%	1,250
Explanation of Variance: The Department has made an effort to encourage the informal resolution of customer concerns prior to their issues becoming official complaints. The effort has helped to reduce the number of complaints officially received, which reduces the number of complaints resolved.				

External/Internal Assessment

Goals Six through eight are established in legislation as riders to TDHCA's appropriations, as found in the General Appropriations Act.

GOAL 6: TDHCA will target its housing finance programs resources for assistance to extremely low income households.*

Strategy 6.1

The housing finance divisions shall adopt an annual goal to apply \$30,000,000 of the division's total housing funds toward housing assistance for individuals and families earning less than 30 percent of median family income.

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 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	\$19,535,526	65.12%	\$30,000,000

Explanation of Variance: Fewer Section 8 vouchers and a lower than anticipated number of units assisted by the HOME program contributed to the 2007 performance for this target. HUD transferred a large number of Section 8 vouchers to a large consortium and also adjusted the methodology for distributing Section 8 funds. Both of these contributed to the lower than anticipated assistance for households earning less than 30 percent of median family income. In addition, a double funding cycle for the HOME single family funds resulted in fewer applications for 2007, the second year of the double year cycle.

Note: For more information, see Rider 4 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.

GOAL 7: TDHCA will target its housing finance resources for assistance to very low income households.*

Strategy 7.1

The housing finance divisions shall adopt an annual goal to apply no less than 20% of the division's total housing funds toward housing assistance for individuals and families earning between 31% and 60% of median family income.

Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Percent of housing finance division funds applied towards housing assistance for individuals and families earning between 31% and 60% of median family income.	20%	50.5%	253%	20%

Explanation of Variance: The majority of TDHCA housing programs serve households under 60% of median family income.

GOAL 8: TDHCA will provide contract for deed conversions for families who reside in a colonia and earn 60 percent or less of the applicable area median family income

Strategy 8.1 Help colonia residents become property owners by converting their contracts for deed into traditional mortgages.				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Amount of TDHCA funds applied towards contract for deed conversions for colonia families earning less than 60% of median family income.	\$2,000,000	\$0	0%	\$2,000,000

Explanation of Variance: TDHCA has delayed the release of additional funds pending changes to encourage the efficient allocation of program funds. TDHCA has updated the program rules and anticipates the release of a NOFA for the 2006 and 2007 funding in FY 2008.

Note: For more information, see Rider 11 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 79th Legislature, Regular Session.

The following TDHCA-designated goal addresses the housing needs of persons with special needs.

GOAL 9: TDHCA will work to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs.

Strategy 9.1 Dedicate no less than 20% of the HOME project allocation for applicants that target persons with special needs.				
Strategy Measure	2007 Target	2007 Actual	% of Goal	2008 Target
Percent of the HOME project allocation awarded to applicants that target persons with special needs.	20%	24%	122%	20%

Strategy 9.2:

Compile information and accurately assess the housing needs of and the housing resources available to persons with special needs.

Strategy Activities:

- Assist counties and local governments in assessing local needs for persons with special needs.
- Work with State and local providers to compile a statewide database of available affordable and accessible housing.
- Set up a referral service to provide this information at no cost to the consumer.
- Promote awareness of the database to providers and potential clients throughout the State through public hearings, the TDHCA web site as well as other provider web sites, TDHCA newsletter, and local informational workshops.

Strategy 9.3:

Increase collaboration between organizations that provide services to special needs populations and organizations that provide housing.

Strategy Activities:

- Promote the coordination of housing resources available among State and federal agencies and consumer groups that serve the needs of special needs populations.
- Continue working with agencies, advocates, and other interested parties in the development of programs that will address the needs of persons with special needs.

External/Internal Assessment

Increase the awareness of potential funding sources for organizations to access, to serve special needs populations, through the use of TDHCA planning documents, web site, and newsletter.

Strategy 9.4:

Discourage the segregation of persons with special needs from the general public.

Strategy Activities:

Increase the awareness of the availability of conventional housing programs for persons with special needs.

Support the development of housing options and programs, which enable persons with special needs to reside in noninstitutional settings.

Serving Critical Populations

As shown in the figures below, the distribution of TDHCA's housing resources in fiscal year 2007 showed a clear prioritization of assistance to individuals and households with the lowest incomes. The vast majority of households served by the Department were classified as extremely low income, very low income, and extremely low income.

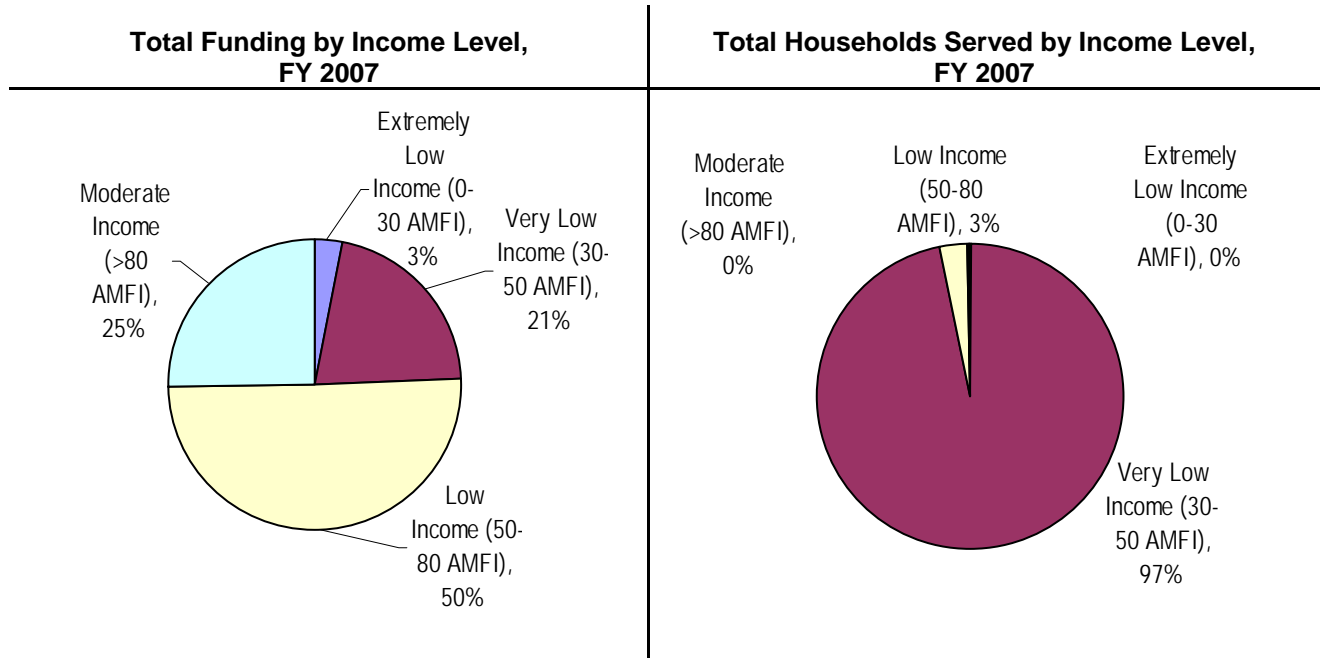


Table 23: TDHCA Funding and Households/Persons Served by Income Category, FY 2007 - All Activities

Income Type	Committed Funds	# of Households or Individuals Served*	% of Committed Funds	% of Households or Individuals Served
ELI (0-30 AMFI)	\$19,605,793	1,491	3%	0%
Very Low Income (30-50 AMFI)	\$136,010,258	682,277	21%	98%
Low Income (50-80 AMFI)	\$321,261,371	12,732	50%	2%
Moderate Income and Up (>80 AMFI)	\$162,494,849	1269	25%	0%
Total for All Incomes	\$639,372,271	697,769	100%	100%

*Includes ESG and CSBG, which are allocated to individuals.

Industry Best Practices

TDHCA is an active member of the following housing and community service industry groups.

- National Council of State Housing Agencies. This organization is comprised of housing finance agencies from of every state, the District of Columbia, Puerto Rico, and the Virgin Islands, and more than 350 profit and nonprofit firms in the affordable housing field. In addition to being a good source of research information on these agencies' activities, this organization holds a number of conferences and training sessions throughout the year where its members meet to discuss best practices and success stories.
- National Association for State Community Services Programs. Membership in this organization includes state administrators of both the CSBG and WAP. The organization was created to provide research, analysis, training and technical assistance to state CSBG and WAP offices, the Community Action Network, community action agencies and state associations, in order to increase their capacity to prevent and reduce poverty.
- National Energy Assistance Directors' Association. Membership in this organization consists of state administrators and tribal directors of the LIHEAP. The organization is the primary educational and policy organization for the state and tribal directors of the LIHEAP. The organization also works closely with the National Association for State Community Services Programs, representing the state weatherization program offices and the National Association of State Energy Officials to more effectively share ideas on the delivery of state energy services through the Energy Programs Consortium.

Insights Gained and Implemented Programmatic Changes

The Department undergoes regular audits and monitoring reviews including reviews by its Internal Auditing Division, its external certified independent auditors, its funding source agencies, and the SAO.

Independent audits of its financial statements are conducted on an annual basis, regular audits of its major federal programs in connection with Federal Single Audits coordinated by the SAO, various monitoring reviews of its federal programs by its Federal funding agencies, as well as reviews of particular functions or processes by its internal auditors.

Other periodic oversight reviews of TDHCA's activities include:

- State Office of Risk Management reviews of physical safety practices.
- Comptroller of Public Accounts reviews of compliance with state laws and rules concerning expenditures and processing requirements of the uniform statewide accounting system.
- State Energy Conservation Office reviews of the administration of these funds.

The results of these audits and reviews have improved TDHCA's controls designed to: achieve the objectives and goals of the agency, comply with program rules and regulations, and safeguard the Department's assets. Some specific examples include:

- Quality assurance and control procedures have been enhanced for the Section 8 program to better: assess participant eligibility, protect voucher holder rights, ensure that reasonable rents are charged, and calculate utility allowances. Processes and controls have been added to ensure the proper execution of property owner contracts, the satisfaction of housing quality standards, and timely deficiency correction. Additionally, access to computer systems has been improved to protect the quality of the Section 8 data, to ensure that transactions cannot be passed on for payment without proper approval, and to protect the systems against unauthorized changes to computer code and data.
- Enhancements have been made to the RAF to consider required available housing resources to address statutory requirements relating to the allocation of HOME, HTC, and HTF program dollars.
- The risk assessment process used to identify high-risk subrecipients for field monitoring visits has been enhanced to include a complete population of subrecipients to be considered, standard operating procedures and documentation standards.
- The review of Federal Single Audits performed on its subrecipients has been enhanced to better use the information for monitoring planning purposes. Controls have been improved to ensure audit findings are forwarded to and considered by staff responsible for performing risk assessments of subrecipients for identifying high-risk subrecipients that warrant greater monitoring attention. Processes have been improved to ensure that corrective actions for audit findings are taken in a more timely fashion, when appropriate, and that management decisions are issued in a timely fashion. The Department has made its single audit review process more efficient by limiting the extent of its review to that which is required by the Federal Single Audit Act.

External/Internal Assessment

- The Department has improved its time accounting procedures to ensure employees salaries are properly allocated to federal programs.

TDHCA has also implemented a risk management program to accomplish similar objectives to its oversight audits and reviews. While the program was designed to ensure compliance with Executive Order RP36, July 2004, relating to preventing, detecting, and eliminating fraud, waste and abuse, it is also designed to identify, prioritize, assess, document, report, monitor and address other financial, operating, and legal risks of the Department.

HOME Contract Administration

The Department has made significant recent progress in the administration of the HOME Program.

- In December 2003, the TDHCA Contract System was rolled out. The system allows administrators to enter draw information, itemize costs, set up contract activities (project setups), enter match information, enter project completion report data, and view programmatic and financial information associated with their contracts in real time. The system gathered a substantial amount of contract information that was not previously captured, which provided an opportunity to run reports on contractual performance and real time program beneficiary information. This system has significantly helped the Department improve program efficiency and more effectively track and monitor contract performance.
- Procedures designed to further improve efficiency and accountability in HOME program administration have been implemented. These procedures include analyzing commitments and expenditures through data analysis and added incentives for administrators to perform according to contractual terms.
- A concerted effort has been made to update, add, and correct information previously entered in HUD's Integrated Disbursement and Information System. This system is the mechanism used by HUD to produce the HUD score card, which reports on performance in the areas of HOME commitment, expenditure, leveraging, low-income benefit, and rental assistance. Access to HUD's system has been appropriately restricted to preclude individuals from having the ability to both initiate and approve draw downs of HOME funds, which might result in disbursement of funds in error or without proper authorization.
- The Department has improved its environmental compliance and enforcement program over the HOME program to ensure compliance with HUD regulations.
- Controls have been added to ensure that LBB performance measurement information for the number of households the HOME program serves by income level is adequately supported and retained.
- TDHCA also analyzed the processes and mechanisms in place from a programmatic view point. From this review, it completed multiple projects designed to provide better guidance to Administrators and staff. The result is improved program compliance. Some of these projects include development of: new and updated manuals, a technical assistance function, and plans to address areas of program administration weakness.

The combination of these activities ensures that the Department satisfies HOME program requirements and ensures that funds are spent accountably.

B. Agency Characteristics Requiring Improvement

Communication Regarding the Need for Affordable Housing

While statistics and anecdotal evidence support the enormous need for affordable housing, the Department has determined that additional efforts need to be made to communicate that need to public officials and organizations that can help to address this need in their communities. To that end, staff has made a strong effort to meet with elected officials and neighborhood groups to help them understand TDHCA's programs and processes and how to participate in those processes effectively. The Department has also established general and specific program email distribution lists to announce funding opportunities, hearings, or other events within the Department.

Communication with Customers

From the 2008 Report of Customer Service, 72 percent of respondents stated that they were satisfied with their experience with TDHCA and 69 percent said TDHCA staff responded to their emails and voice messages in a timely manner. However, 19 percent disagreed with the statement that TDHCA automated phone system is easy to navigate and helps them reach the correct division or individual when they call. Staff believes that a primary reason for the dissatisfaction rate is caused by a lengthy phone menu for the automated system. Staffing limitations have also led to lengthy wait times experienced by some callers to the Manufactured Housing telephone line. TDHCA is constantly making changes to improve the telephone systems, including updating the menu of the automated phone system and will work to increase satisfaction with the system in the future.

C. Key Obstacles

A number of macro issues that present obstacles to TDHCA's ongoing efforts are below provided in alphabetical order.

Fiscal: The largest obstacle TDHCA faces is the limited amount of financial resources available for affordable housing. Even with all of its resources, TDHCA can serve only about 1 percent of those in need. The most apparent obstacle to meeting underserved housing needs in Texas is a severe shortage of affordable housing stock. There is a corresponding shortage of funding sources to maintain and increase this housing stock. With few exceptions, every housing program administered by TDHCA receives far more applications than could be funded from available resources. This is evidence that there is significant interest on the part of both the nonprofit and for-profit sectors to produce the housing that is needed. While layering, leveraging, and partnering helps to stretch available funds, there is no amount of innovation that will overcome this lack of funding.

Geographic: Only the Manufactured Housing Division has a somewhat statewide presence with its field office locations in Dallas-Ft. Worth, Edinburg, Houston, Lubbock, San Antonio, Tyler, and Waco. While OCI has field offices located in two of the state service regions along

the Texas-Mexico border, there are no field offices for housing and community development activities in any of the state's other 11 regions. Due to fiscal and FTE constraints that make the provision of local field offices unfeasible, it is very difficult to establish and maintain a regional and local presence in a state as large as Texas.

Lack of Organizational Capacity: A lack of organizational capacity, in both experience and financial resources, often makes it difficult for smaller communities to address their affordable housing issues. As compared to larger metropolitan areas, these communities have fewer resources that can be used a matching funds, staff members (if any) to put together an application and oversee an application is funding is obtained.

Local Opposition to Affordable Housing: It is a common perception that affordable housing helps contribute to overcrowded schools, increased crime rates, traffic congestion, and general neighborhood deterioration that will lower the surrounding property values. As a result, developments requesting funding from TDHCA can experience significant opposition. TDHCA continues to work to educate the general public on affordable housing issues and encourages developers to interact directly with neighborhood organizations throughout the application process. This educational process is done with such tools as the public hearing process, TDHCA's website and publications, and the application scoring criteria for rental development funding.

Technological: Since TDHCA was created in 1991, its program data has tended to be stored and accessed in a number of separate databases. These separate data sources have been an obstacle to effective agency operations. Through the Central Database project, TDHCA has managed to consolidate much of this data into a single source. This has allowed for processes associated with contract management, draw requests, and compliance reporting to be automated. Nevertheless, gaps still remain in unifying TDHCA's 15-plus programs' varying reporting requirements, report formats, and data storage methods have made performance reporting and analysis difficult. A Central Database project to consolidate many of the various databases is ongoing.

D. Opportunities

Human Resources

Retention Programs

In an effort to ensure employees are fairly and equitably compensated, a recent Department-wide classification audit was conducted by the State Auditor's Office to determine misclassifications for the Department. The audit found only 8 positions that required reclassification and pay scale adjustment. Additionally, the Department has purchased wage surveys to compare the organization to its peers nationally. Pay studies will continue to analyze, study, and identify areas of concern. Such studies help to ensure that employees are compensated at rates that are comparable with what they would earn elsewhere.

Internal Communications

The Department has strengthened internal efforts to ensure that communications to employees increase through the development of an agency-wide Intranet communication page called the TDHCA Electronic Water Cooler, a quarterly agency newsletter, quarterly *HR Herald* newsletter, increased division and section meetings, agency-wide communication memos as the need arises, and Departmental agency-wide communications meetings. An events planning committee is also active to help coordinate events that will work to build morale and to recognize employee achievements.

Organizational Training and Employee Development

In February 2008, TDHCA participated in an Organizational Excellence Survey sponsored by the University of Texas. The survey helps TDHCA leadership by providing information about work force issues that impact the quality of service ultimately delivered its customers. The data provide information not only about employees' perceptions of the effectiveness of their own organization, but also about employees' satisfaction with their employer. This will help management work to address TDHCA's strengths and weaknesses as seen through the eyes of its employees. Results of this survey are described in Appendix F.

In 2007 TDHCA convened a committee of staff members to study the options for an employee mentoring program at the Department. Such a program would pair employees with more-senior staff members with the goal of improving cross-divisional communication and employee morale. The proposed program is still under consideration.

Technology

Throughout the FY 2009-2013 time period, TDHCA will focus on the following technology initiatives in support of Department objectives:

- Manufactured Housing System Upgrade (FY 2008-2009 capital budget project)
- PeopleSoft Financials version upgrades to stay up-to-date with the Office of the Comptroller of Public Accounts Integrated Statewide Accounting System (ISAS) version of PeopleSoft Financials
- Yearly upgrades of the Mitas Automated Accounting and Loan Servicing systems
- Frequent upgrades of the HAPPY Housing Pro Section 8 System
- IT security and disaster preparedness
- Web site enhancements to provide customers easier access to information
- Enhancement projects for the Department's custom systems
- Continued technical support for Department employees and external customers

The internet, through the TDHCA list serve and website, continues to offer new opportunities to communicate directly with the department's customers. A recent example of the use of online technology is the use of a low cost, efficient online surveying program from a company called Survey Monkey. In May 2008, this survey instrument was used to conduct the paperless 2008 Customer Service Survey.

Political

The Department welcomes the opportunity to engage in discussions with all members of the Texas Legislature regarding matters of affordable housing and community affairs. More specifically, the Department would like to increase the members' awareness of these matters as well as legislative district-specific information on funding totals and purposes within each district. Economic development in the state also relies heavily upon the existence and availability of affordable housing and the Department seeks to convey this idea to the Legislature. The increased dialogue between the Department and the state's policy-makers would provide more complete information for the Legislature as they deliberate on the important matters of affordable housing and community affairs.

E. Working with Federal, State, and Local Entities to Achieve Success

Because the efficiency of service provision and the capacity of available resources to create successful housing and housing-related endeavors can be greatly increased through partnerships with federal, state, regional, and local organizations, TDHCA strives to develop and maintain partnerships with a wide variety of groups.

Coordination with Federal Agencies

As discussed in detail in the "Description of Current and Anticipated Federal Activities" contained in Section VII, TDHCA works with a number of Federal organizations to allocate its funding. These organizations include the US Department of Housing and Urban Development, US Department of the Treasury, the US Department of Health and Human Services, and the US Department of Energy. TDHCA works to establish effective working relationships with these organizations' personnel at both the national and regional level. In addition to ensuring that planning and oversight efforts are accomplished successfully, these partnerships leads to joint marketing of programs, cross program client referrals, and technical assistance with workshops and other training efforts.

As a provider of services to rural Texas communities, TDHCA has an ongoing relationship with USDA Rural Development. Collaborations have been achieved through several TDHCA programs (HTC, HTF, HOME) in the form of multifamily developments and single family homeownership initiatives.

Coordination with State Agencies

Below is a listing of state agencies that TDHCA works with on an ongoing basis.

- Office of Rural Community Affairs (ORCA): TDHCA and ORCA have entered into an interagency contract to jointly administer the rural regional allocation of the HTC Program. TDHCA and ORCA jointly provide outreach and training to promote rural area capacity building, develop threshold requirements and scoring criteria for the rural applications, and score the applications. ORCA also participates in the site inspection of rural developments proposed under the rural allocation. TDHCA and ORCA coordinate services in seven Colonia Self-Help Centers to provide housing and technical assistance to improve the quality of life for colonia residents.

- Texas Interagency Council for the Homeless: TDHCA serves as a member of, and provides administrative support to, the Texas Interagency Council for the Homeless—a council comprised of six member state agencies.
- Texas Department of Aging and Disability Services (DADS): TDHCA, in cooperation with the DADS, the Texas Health and Human Services Commission, and local PHAs, administers a housing voucher pilot program developed by HUD, the DHHS, and the Institute on Disability at the University of New Hampshire. “Project Access” helps low income persons with disabilities transition from nursing facilities into the community by providing access to affordable housing.
- Texas State Affordable Housing Corporation (TSAHC): TDHCA works with TSAHC to share data and information in the development of the State of Texas Low Income Housing Plan and Annual Report. TSAHC also performs asset management activities, including on-site inspections and financial feasibility reviews, for TDHCA MFB properties, as well as manages the bank account for the TDHCA Texas Statewide Homebuyer Education Program.

Coordination with Local and Regional Governments and Other Organizations

Most recently in 2006, TDHCA conducted a major outreach effort to better understand local needs for specific types of funding and services. This outreach was in the form of a Community Needs Survey that was made available online to community leaders across the state. These leaders included state senators and representatives, city mayors and county judges, city managers, housing and community development departments, US Department of Agriculture regional offices, public housing authorities, councils of governments, community action agencies, and HOPWA administrative agencies.

This survey provided the respondents with opportunity to describe their community's specific housing, assistance, and community development issues. The survey findings will help determine how to most effectively use existing resources, help develop future assistance programs, and will be used as a description of local need in TDHCA planning documents. This data is particularly useful to the Department because it helps inform decisions on what activities will be particularly encouraged through the application process. For example, the survey results help determine whether or not a higher percentage of funding should be dedicated towards new versus rehab multifamily development or if more funding is needed for owner occupied rehabilitation than down payment assistance. Knowing what kind of assistance is in great demand allows set aside amounts and scoring priorities in the program rules to be adjusted accordingly.

Organizations that TDHCA continues to partner with across the state include the following.

- Local Utility Companies: Partnerships with financial commitments between the Weatherization Assistance Program and Southwestern Electric Power Company, Southwestern Public Service Company, Entergy, and El Paso Electric, provide energy conservation measures to very low and extremely low income utility customers.
- NeighborWorks America. TDHCA continues to contract with NeighborWorks America to facilitate the Texas Statewide Homebuyer Education Program training. The program also

collaborates with several other partners including TSAHC, JP Morgan Chase, Fannie Mae, the Texas Home of Your Own Coalition, and Texas C-BAR to implement the trainings.

- Texas Association of Realtors: In December 2004, the Department entered into a partnership with the Texas Association of Realtors and Fannie Mae to develop an educational outreach campaign to help first time homebuyers access low-cost mortgage financing.
- Texas Homeless Network: TDHCA collaborates with the Texas Homeless Network through TDHCA's work on the Texas Interagency Council on Homelessness to build the capacity of homeless coalitions across the State of Texas, enabling them to become more effective in the communities they serve.
- Texas Loan Star Program: Through a partnership between TDHCA and CitiMortgage, the Texas Loan Star Program provides financing for a market-rate, 30-year first lien mortgage loan for qualifying borrowers residing in the state of Texas. In addition, the program provides financing for closing costs up to 8 percent of the mortgage amount through a 20-year second lien mortgage loan. As little as \$500 is required from the borrowers' own funds towards the transaction.

F. Access to Key Resources

Technological

Open source software will continue to have a positive impact on the Department's IT architecture. TDHCA's IS Division has made evaluation of this alternative, which is free of software licensing costs, a standard part of the process of selecting technical products to meet agency operational needs.

Community/Business Resources

There is an existing network of local service providers which represent a substantial community resource. TDHCA will continue to work closely to help support the ongoing efforts of the following types of organizations: community action agencies, community development corporations, PHAs, CHDOs, faith-based organizations, nonprofit and for-profit entities. The dedicated efforts of these organizations allow the State to make the most of limited funding.

Employees' Attitudes and Possibilities for Change

In February of 2008, TDHCA participated in the Survey of Organizational Excellence sponsored by the University of Texas with a response rate of 85 percent. This survey forms the basis of the following observations concerning TDHCA's strengths and weaknesses according to the employees of the Department:

In reviewing the following sections, the following scoring categorizations are useful:

- Scores of 400 or higher indicate areas of substantial strength.
- Scores above 300 indicate employees perceive the issue more positively than negatively.

- Scores below 300 indicate employees perceive the issue more negatively than positively.
- Scores below 200 indicate areas of concern for the Department. They should receive immediate attention. No items in the TDHCA survey scored below the 200 range.

In comparison to the 2005 Survey or Organizational Excellence the Department scores improved. The chart below shows the comparison of scores for 2005 versus 2008. All the scores increased in 2008 with the exception of one score that remained the same.

Score Legend

◆	5 highest scores
◇	5 lowest scores

CONS#	CONSTRUCT NAME	SCORE 2005	SCORE 2008	POINTS DEVIATED
1	Supervisor Effectiveness	◇ 330	◇ 348	+18
2	Fairness	343	362	+19
3	Team Effectiveness	◇ 327	◇ 345	+18
4	Diversity	342	364	+22
5	Fair Pay	◇ 274	◇ 302	+28
6	Physical Environment	◆ 377	◆ 377	Same
7	Benefits	359	373	+14
8	Employment Development	352	◆ 377	+25
9	Change Oriented	◇ 334	◇ 348	+14
10	Goal Oriented	346	362	+16
11	Holographic	343	353	+10
12	Strategic	◆ 384	◆ 386	+2
13	Quality	◆ 375	◆ 388	+13
14	Internal	◇ 326	◇ 333	+7
15	Availability	◆ 369	373	+4
16	External	◆ 373	◆ 376	+3
17	Job Satisfaction	362	367	+5
18	Time and Stress	356	368	+12
19	Burnout	358	368	+10
20	Empowerment	351	362	+11

Areas of Strength

The Department’s strengths lie in the perception employees have according to the following: Quality, Strategic, Physical Environment, Employee Development, and External. They are discussed below in the order of scores received, from highest to lowest.

- **Quality (388):** Describes the degree to which the quality principles, such as customer service and continuous improvement are a part of the organizational culture.
- **Strategic (386):** This reflects employees’ thinking about how the Department’s Strategic Orientation culture responds to external influences that should play a role in defining the mission, vision, services and products. This implies the ability of the Department to seek out and work with relevant external entities.
- **Physical Environment (377):** Describes the employees’ perceptions of the total work atmosphere and the degree to which employees believe it is a “safe” working

environment. This category addresses the “feel” of the workplace as perceived by the employee.

Note: The surveying effort occurred after the Department’s move to a new building with substantially different working environment and parking situation.

- **Employee Development: (377)** This category is an assessment of the priority given to employee’s personal and job growth. It provides insight into whether the culture of the organization sees human resources as the most important resource or as one of many resources. It directly addresses the degree to which the organization is seeking to maximize gains from investment in employees.
- **External (376):** This category looks at how information flows into the Department from external sources, and conversely, how information flows from inside the organization to external constituents. It addresses the ability of Department staff to synthesize and apply external information to work performed by the Department.

Areas of Concern

Areas where TDHCA did not score as high were Fair Pay, Internal Communication, Team Effectiveness, Supervisor Effectiveness, and Change Orientation issues as described below from lowest score to highest scores. While Fair Pay is the lowest score, it is still viewed as more positive than negative.

- **Fair Pay (302):** Fair Pay is a common negative perception across most, if not all, state agencies. This category addresses perceptions of the overall compensation package offered by the Department. It describes how well the compensation package “holds up” when employees compare it to similar jobs in other organizations.
- **Internal (333):** This captures the flow of communication within the Department from the top down, bottom up, and across divisions. It addresses the extent to which communication exchanges are open and candid and move the Department toward goal achievement.
- **Team Effectiveness (345):** This describes employees’ perceptions of the people within the Department with whom they work on a daily basis to accomplish their jobs (the work group or team). Also, it gathers data about how effective employees think their work group is as well as the extent to which the Department’s environment supports cooperation among employees.
- **Supervisor Effectiveness (348):** This category provides insight into the nature of supervisory relationships in the Department, including the quality of communications, leadership, thoroughness, and fairness that employees perceive exists between supervisors and them. This category helps organizational leaders determine the extent to which supervisory relationships are a positive element of the organization.
- **Change Oriented (348):** This category describes employees’ perceptions of the Department’s capability and readiness to change based on new information and ideas. It also addresses the Department’s aptitude to process information timely and to act upon it effectively. Most importantly, it also examines the organization’s capacity to draw upon, develop, and utilize the strengths of all in the Department for improvement.

Strategies for Improvement

The Department will continue to capitalize on the information derived from the 2008 Survey of Organizational Excellence.

Improving Areas of Concern

- **Fair Pay:** While Fair Pay continues to be the lowest scoring category for the Department this category has improved based on the last survey score. There have been many ways the Department has addressed fair pay to include:
 - Review of all pay actions for equity among similar positions.
 - Providing each Division Director with equity reports for the division and an equity report for Department positions.
 - A Department-wide classification audit was conducted by the State Auditor's Office to determine misclassifications for the Department. There were only 8 positions that needed to be reclassified as part of this audit. The Department requires that employee classifications be reviewed during each employee annual performance review to ensure that position classifications are appropriate.
 - The Department participated in a National Housing Organization Compensation Survey. This survey allows the Department to review salaries of other similar positions in comparison to Department salaries.

Enhancing Strengths

- The Department is committed to instilling a culture of diversity, transparency, professionalism, and integrity. The Department will continue to analyze organizational development through review of program organizational structure to ensure that processes and program goals and objectives are being met with the most streamlined measures and are functioning effectively and efficiently.
- The Department will continue to have open communications with staff and will promote an environment that allows employees to improve their skills and abilities through continuing education, external training, in-house training, and other training resources as needed.

TDHCA GOALS, OBJECTIVES, AND STRATEGIES AND THE ASSOCIATED OUTCOME, EFFICIENCY, EXPLANATORY, AND OUTPUT MEASURES

Goal 1.

To increase and preserve the availability of safe, decent, and affordable housing for very low, low, and moderate income persons and families.

Objective 1.

Make loans, grants, and incentives available to fund eligible housing activities and preserve/create single and multifamily units for very low, low, and moderate income households.

Outcome Measures

1. Percent of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance
2. Percent of Households/Individuals of Very Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance
3. Percent of Households/Individuals of Low Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance
4. Percent of Households/Individuals of Moderate Income Needing Affordable Housing That Subsequently Receive Housing or Housing-related Assistance
5. Percent of Multifamily Rental Units Benefiting Very Low, Low and Moderate Income Households
6. Percent of Single Family Finance Division Funding for Affordable Housing Assistance that is Allocated within Established Time Frames
7. Percent of Multifamily Finance Division Funding for Affordable Housing Assistance that is Allocated within Established Time Frames

Strategy 1.

Provide federal mortgage loans, through the department's Mortgage Revenue Bond (MRB) Program, which are below the conventional market interest rates to very low, low, and moderate income homebuyers.

Efficiency Measures

1. Average Loan Amount per Household Assisted through the First Time Homebuyer Program
2. Average Loan Amount per Household Assisted through the Down Payment Assistance Program
3. Average Loan/Grant Amount per Household Assisted with New Construction Activities
4. Average Loan/Grant Amount per Household Assisted with Rehabilitation Activities
5. Average Amount per Household Assisted the Mortgage Credit Certificate Program

Explanatory Measures

1. Number of Households Assisted through the First Time Homebuyer Program
2. Number of Households Assisted through the Down Payment Assistance Program
3. Number of Households Assisted through New Construction Activities
4. Number of Households Assisted through Rehabilitation Activities
5. Number of Households Assisted through the Mortgage Credit Certificate Program

Output Measures

1. Number of Households Assisted with Single Family Mortgage Revenue Bond Funds

Strategy 2.

Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of single family housing in rural areas of the state through partnerships with the private sector.

Efficiency Measures

1. Average Amount per Household for New Construction Activities
2. Average Amount per Household for Rehabilitation Activities
3. Average Amount per Household Assisted with CHDO Mortgage Financing and Homebuyer Assistance Funds
4. Average Amount per Household Assisted with Non-CHDO Mortgage Financing and Homebuyer Assistance Funds
5. Average Amount per Household Receiving Tenant-based Rental Assistance

Explanatory Measures

1. Number of Households Assisted through New Construction Activities
2. Number of Households Assisted through Rehabilitation Activities
3. Number of Households Assisted through CHDO Mortgage Financing/Homebuyer Assistance
4. Number of Households Assisted through Non-CHDO Mortgage Financing/Homebuyer Assist
5. Number of Households Assisted through Tenant-based Rental Assistance

Output Measures

1. Number of Households Assisted with Single Family HOME Funds

Strategy 3.

Provide state housing loans and grants through the HTF for very low and low income households.

Efficiency Measures

1. Average Amount per Household for New Construction Activities
2. Average Amount per Household for Rehabilitation Activities

Explanatory Measures

1. Number of Households Assisted through New Construction Activities
2. Number of Households Assisted through Rehabilitation Activities

Output Measures

1. Number of Households Assisted through the Single Family HTF Program

Strategy 4.

Provide federal rental assistance through Section 8 certificates and vouchers for very low income households.

Efficiency Measures

1. Average Amount Tenant-based Rental Assistance per Household

Output Measures

1. Number of Households Assisted through Statewide Housing Assistance Payments Program

Strategy 5.

Provide federal tax credits to develop rental housing for very low and low income households.

Efficiency Measures

1. Average Amount of Credits per Household for New Construction Activities
2. Average Total Development Costs per Household for New Construction Activities
3. Average Amount of Credits per Household for Rehabilitation Activities
4. Average Total Development Costs per Household for Rehabilitation Activities

Explanatory Measures

1. Number of Households Assisted through New Construction Activities
2. Number of Households Assisted through Rehabilitation Activities

Output Measures

1. Number of Households Assisted through the HTC Program

Strategy 6.

Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of multifamily housing units in rural areas of the state through partnerships the private sector.

Efficiency Measures

1. Average Amount per Household for CHDO New Construction Activities
2. Average Total Development Costs per Household for CHDO New Construction Activities
3. Average Amount per Household for Non-CHDO New Construction Activities
4. Average Total Development Costs per Household for Non-CHDO New Construction Activities
5. Average Amount per Household for CHDO Rehabilitation/Acquisition Activities
6. Average Total Development Costs per Household for CHDO Rehabilitation/Acquisition Act
7. Average Amount per Household for Non-CHDO Rehabilitation/Acquisition Activities
8. Average Total Development Costs per Household for Non-CHDO Rehabilitation/Acquisition Activities

Explanatory Measures

1. Number of Households Assisted through CHDO New Construction Activities
2. Number of Households Assisted through Non-CHDO New Construction Activities
3. Number of Households Assisted through CHDO Rehabilitation/Acquisition Activities
4. Number of Households Assisted through Non-CHDO Rehabilitation/Acquisition Activities

Output Measures

1. Number of Households Assisted with Multifamily HOME Funds

Strategy 7.

Provide state housing loans and grants through the HTF for very low and low income households.

Efficiency Measures

1. Average Amount per Household for New Construction Activities
2. Average Total development Costs per Household for New Construction Activities
3. Average Amount per Household for Rehabilitation Activities
4. Average Total Development Costs per Household for Rehabilitation Activities

Explanatory Measures

1. Number of Households Assisted through New Construction Activities
2. Number of Households Assisted through Rehabilitation Activities

Output Measures

1. Number of Households Assisted through the Multifamily HTF Program

Strategy 8.

Provide federal mortgage loans through the department's Mortgage Revenue Bond (MRB) program for the acquisition, restoration, construction and preservation of multifamily rental units for very low, low and moderate income families.

Efficiency Measures

1. Average Amount per Household for New Construction Activities
2. Average Total Development Costs per Household for New Construction Activities
3. Average Amount per Household for Rehabilitation/Acquisition Activities
4. Average Total Development Costs per Household for Rehabilitation Activities

Explanatory Measures

1. Number of Households Assisted through New Construction Activities
2. Number of Households Assisted through Rehabilitation Activities

Output Measures

1. Number of Households Assisted through the Multifamily Mortgage Revenue Bond Program

Goal 2.

Promote improved housing conditions for extremely LI, VLI, and low income households by providing information and technical assistance.

Objective 1.

Provide information and technical assistance regarding affordable housing resources and community support services.

Outcome 1.

Percent of Short Term and Long Term Information and Technical Assistance Requests Fulfilled within Established Time Frames

Goals, Objectives, Strategies and Measures

Strategy 1.

Provide information and technical assistance to the public through the Housing Resource Center

Output Measures

1. Number of Information and Technical Assistance Requests Completed
2. Number of Short Term Information and Technical Assistance Requests Completed
3. Number of Long Term Information and Technical Assistance Requests Completed

Objective 2.

Promote and enhance homeownership opportunities along with the development of safe neighborhoods and effective community services for colonia residents and/or residents of LI, VLI, and ELI along the Texas-Mexico border.

Strategy 1.

Assist colonias, border communities, and non-profits through Department programs, Border Field Offices, and Colonia Self-Help Centers.

Output Measures

1. Number of Technical Assistance Contacts and Visits Conducted by Border Field Offices
2. Number of Colonia Residents Receiving Technical Assistance Annually through the Colonia Field Offices
3. Number of Entities and/or Individuals Receiving Informational Resources

Goal 3.

Improve living conditions for the poor and homeless and reduce cost of home energy for very low income Texans.

Objective 1.

To ease hardships of poverty and homelessness for 16 percent of the population of very low income persons each year.

Outcome Measures

1. Percent of persons in Poverty That Received Homeless and Poverty-related Assistance
2. Percent of Emergency Shelters Assisted
3. Percent of persons Assisted That Achieve Incomes above Poverty Level

Strategy 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.

Efficiency Measures

1. Average Agency Administrative Cost per person Assisted

Explanatory Measures

1. Total Number of Emergency Shelters
2. Total Number of persons in Poverty

Output Measures

1. Number of persons Assisted through Homeless and Poverty-related Funds
2. Number of persons Assisted That Achieve Incomes above Poverty Level
3. Number of Shelters Assisted

Objective 2.

To reduce cost of home energy for 6 percent of very low income households each year at or below 125 percent of poverty

Outcome 1.

Percent of Very Low Income Households Receiving Energy Assistance

Strategy 1.

Administer state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and general assistance to very low income households for heating and cooling expenses and energy-related emergencies.

Efficiency Measures

1. Average Cost per Household Served
2. Average Cost per Home Weatherized

Explanatory Measures

1. Number of Very Low Income Households Eligible for Energy Assistance

Output Measures

1. Number of Households Assisted through the Comprehensive Energy Assistance Program
2. Number of Dwelling Units Weatherized by the Department

Goal 4.

Ensure compliance with Department of Housing and Community Affairs federal and state program mandates.

Objective 1.

Administer and monitor housing developments and subrecipient contracts to determine compliance with federal and state program requirements.

Outcome Measures

1. Percent of Multifamily and/or Single Family Rental Properties Monitored Annually
2. Percent of Contracts Administered Annually by the PMC Division
3. Percent of Properties Monitored by the PMC Division that are in Material Non-compliance

Strategy 1.

Monitor and inspect for federal and state housing program requirements.

Efficiency Measures

1. Average Cost to Monitor a Rental Property

Explanatory Measures

1. Total Number of Developments in the Compliance Monitoring Portfolio
2. Total Number of Units Administered

Goals, Objectives, Strategies and Measures

Output Measures

1. Total Number of Monitoring Reviews Conducted
2. Total Number of Desk Reviews Conducted
3. Total Number of Onsite Reviews Conducted
4. Total Number of Information and Technical Assistance Requests Completed
5. Total Number of Application-related Instruments Processed

Strategy 2.

Administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Efficiency Measures

1. Average Cost to Monitor a Contract

Explanatory Measures

1. Number of Contracts Administered

Output Measures

1. Total Number of Monitoring Reviews Conducted
2. Number of Single Audit Reviews Conducted
3. Total Number of Desk Reviews Conducted
4. Total Number of Onsite Reviews Conducted
5. Total Number of Information and Technical Assistance Requests Completed

Goal 5.

Protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

Objective 1.

Operate a regulatory system to ensure responsive handling of Statement of Ownership and Location and license applications, inspection reports, and complaints as follows: 25 percent installation inspections; 97 percent of applications within established timeframes; and 99 percent of consumer complaint inspections within 30 calendar days of a request.

Outcome Measures

1. Percent of Applications Processed within Established Time Frames
2. Percent of Consumer Complaint Inspections Conducted within 30 Days of Request
3. Percent of Complaints Resulting in Disciplinary Action
4. Percent of Documented Complaints Resolved within Six Months
5. Recidivism Rate for Those Receiving Disciplinary Action

Strategy 1.

Provide services for Statement of Ownership and Location and licensing in a timely and efficient manner.

Efficiency Measures

1. Average Cost per Manufactured Housing Statement of Ownership and Location Issued

Explanatory Measures

1. Number of Manufactured Homes of Record in Texas

Output Measures

1. Number of Manufactured Housing Statements of Ownership and Location Issued
2. Number of Licenses Issued

Strategy 2.

Conduct inspections of manufactured homes in a timely and efficient manner.

Efficiency Measures

1. Average Cost per Inspection

Explanatory Measures

1. Number of Installation Reports Received
2. Number of Installation Inspections with Deviations

Output Measures

1. Number of Routine Installation Inspections Conducted
2. Number of Non-routine Inspections Conducted

Strategy 3.

Process consumer complaints, conduct investigations, and take administrative actions to protect general public and consumers.

Efficiency Measures

1. Average Cost per Complaint Resolved
2. Average Time for Complaint Resolution (Days)

Explanatory Measures

1. Number of Jurisdictional Complaints Received

Output Measures

1. Number of Complaints Resolved

Strategy 4.

Provide for the processing of occupational licenses, registrations, or permit fees through TexasOnline. Estimated and nontransferable.

Goal 6.

Indirect administrative and support costs.

Objective 1.

Indirect administrative and support costs.

Strategies

1. Central administration.
2. Information resource technologies.
3. Operating/support.

TECHNOLOGY INITIATIVE ALIGNMENT

“Technology Initiative Alignment” is the strategic alignment of technology initiatives with agency business needs and priorities. This alignment promotes collaboration between the agency’s business and IT leaders, and promotes innovative technology solutions that enable the agency to achieve its objectives. The agency’s governance structure guides the creation of technology initiatives to ensure that these initiatives align with the agency’s business needs and priorities. Additionally, strategically aligning agency technology initiatives with the statewide technology objectives in the State Strategic Plan (The Texas Transformation) drives economies of scale, increases interoperability among the state’s information systems, and promotes interagency collaboration.

TDHCA TECHNOLOGY INITIATIVE ALIGNMENT					
TECHNOLOGY INITIATIVE	RELATED AGENCY OBJECTIVE	RE-LATED SSP STRATEGY/ (IES)	STATUS	ANTICIPATED BENEFIT(S)	INNOVATION, BEST PRACTICE, BENCH-MARKING
Improve security policies and practices.	All goals/objectives.	3-1	Planned	Decreases the risk of unintended access to agency information.	Benchmarking: TDHCA will use online DIR IT Security and National Institute of Standards and Technology resources.
Maintain, upgrade, secure, and enhance TDHCA’s programmatic and financial systems for managing loans and grants.	Goal/Objective 1-1. Increase Availability of Safe/Decent/Affordable Housing – Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing	3-1 4-2 5-1	Current	Ensures that agency systems for managing loans and grants are in alignment with changing business processes, financial transactions are securely exchanged with the Comptroller’s Office and other organizations, and program participants have the ability to report to TDHCA online.	
Redesign TDHCA Web site to provide customers easier access to information.	Goal/Objective 2-1. Provide Information and Assistance – Provide Information and Assistance for Housing and Community Services	4-1 5-1	Current	Provides visitors easier access to information by asking them to select a customer type.	Benchmarking: TDHCA conducted a review of Web sites of other housing finance agencies, Texas state agencies, and businesses.
Host and maintain the Texas Interagency Council for the Homeless Web site.	Goal/Objective 3-1. Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs – Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year	4-4	Current	Assists the council in fulfilling major functions, including helping coordinate the delivery of services for the homeless in Texas and maintaining a central resource and information center for the homeless.	

Technology Initiative Alignment

Maintain, upgrade, secure, and enhance TDHCA's monitoring systems.	Goal/Objective 4-1. Ensure Compliance with Program Mandates – Monitor Developments & Subrecipient Contracts for Compliance	3-1 5-1	Current	Reduces paper processing through online reporting by property managers; increases efficiency through an enterprise architecture in which common data elements are shared with other agency systems.	
Deploy a new Manufactured Housing System that supports all major MH business functions and provides customers with the ability to retrieve MH information and submit forms and associated payments online.	Goal/Objective 5-1. Regulate Manufactured Housing Industry – Operate a Regulatory System To Ensure Responsive SOL/Licensing/Other	1-3 4-1 5-1	Current	Provides MH customers with increased access and flexibility; reduces data entry required by MH staff.	Best Practice: Use of Texas Online for all online payments.

APPENDIX A. DESCRIPTION OF TDHCA'S PLANNING PROCESS

TDHCA's planning process involves a comprehensive approach that includes cooperation, assessment, analysis, and public input. The agency's planning process is used for activities such as developing or revising a rule, creating required state or federal reporting documents, and establishing long-term planning documents. This process centers around forming agency policies and programs on the basis of reliable data, staff expertise, and informed public input from consumers, advocates, housing providers, and legislative members.

In general, the planning process involves the following steps:

1. review of legislative and/or regulatory requirements,
2. development of a timeline,
3. data collection
4. analysis and policy development,
5. legal and executive review,
6. public comment acceptance and response
7. board review and approval (if appropriate), and
8. implementation.

The development of policy for a planning document is used as an example in the following discussion. The planning process begins with the review of the legislative and/or regulatory requirements by legal staff and the appropriate divisional staff. After the requirements are determined, divisional staff will establish a timeline for the planning process through implementation.

A focused effort is made to collect information required to develop the draft policy. Appropriate staff is consulted for their expertise and to request any required supporting TDHCA data. A round table discussion with members of the public may be held to insure that a variety of viewpoints on the relevant issues are obtained. Relevant demographic, economic, and subjective data is also typically assembled from outside sources. This data is obtained from a wide variety of appropriate sources, such as the US Census, Texas State Data Center, Real Estate Center, surveys, and interviews.

The assembled data are then analyzed and used to develop preliminary policies to address the identified need. These policies are developed to be consistent with the goals, objectives, and performance measures as outlined in the TDHCA Plan and reported to the LBB and the Governor's Office of Budget, Planning, and Policy. After the draft policy has been developed, a document is drafted to communicate it to all stakeholders. The draft is then reviewed by legal and executive staff, and is also approved by the TDHCA Board. Any outstanding issues are resolved, and the document (or a summary of the document) is published in the *Texas Register* for public comment. Announcements about the document

Appendix A. Description of TDHCA's Planning Process

and the public comment period are also sent out over the agency's list serve and by any legislatively required means.

While quantifying the housing needs of Texas is vital to the TDHCA planning process, it is also essential to reconcile the data with local needs to establish regional priorities. Because of this, the next phase of planning revolves around dialogue with consumers and interested parties. All data and resulting conclusions are made available to the public followed by public comment periods and public hearings.

In addition to the many special topic hearings held each year, TDHCA holds a set of consolidated public hearings annually (Consolidated Hearings) to cover all aspects of the Department's services and the provision of those services. The Consolidated Hearings are held throughout the state in cities selected to reach all regions of Texas. The hearings ensure that TDHCA customers have direct contact with agency staff. The discussions at the public hearings focus on the state's affordable housing and community service needs, agency programs, and agency policies as outlined in the draft *State of Texas Low Income Housing Plan and Annual Report* and the *State of Texas Consolidated Plan*.

TDHCA strongly encourages public involvement in the agency's policy development process. In addition to public hearings, written comment is accepted by mail and e-mail during the public comment periods. At the close of the public comment period, public input is reviewed and reasoned responses are developed. All public comment, both written comment and the hearing transcripts, is published on the agency website with the reasoned responses.

After all information is compiled, policies developed, and public comment is taken, the planning document is finalized. General agency policies are outlined in the *State of Texas Low Income Housing Plan*. Individual programs may have specific documents that govern their activities (i.e., the Qualified Allocation Plan for the HTC Program).

Where required by statute or the Board, documents are brought before the Department's Board for approval. The Department's Board meets once a month to review funding and policy recommendations and reports. All department policies are brought before the Board and are open for public comment at the meeting. The final document is posted for public review seven days before the meeting. Action is taken on the item by the Board. If approved, the policy will be implemented.

For the programs that are competitive and open to various nonprofit and for-profit entities, the Department holds application and implementation workshops. These workshops are used to inform program customers of the services available from TDHCA, as well as train organizations on the implementation of the programs for which they have successfully applied. These workshops present the public the opportunity to address program policies.

Appendix A. Description of TDHCA's Planning Process

In addition to the planning process for rules, policies, and reports, TDHCA also has additional tools it uses for agency planning. One tool used is performance measurement. Performance measurement allows the agency to review its effectiveness. Agency and program effectiveness feeds into the strategic planning process by showing goals that have been met and by showing areas that need additional attention.

TDHCA also uses the Legislative Appropriations Request as a planning component. Funding by agency strategy allows the agency to express the priorities of the strategic plan in financial terms. Strategies, which are ways to accomplish key objectives, become the basic building blocks for the budgeting and expenditure of state funds. Objectives, strategies, and measures funded in the LAR relate specifically to the primary functions or areas of the agency.

TDHCA has recently implemented a new Strategic Planning Steering Committee (the Committee). The Committee is comprised of senior level staff with experience and expertise in all aspects of the programs and policies of the Department. The goal of the Committee is to provide the Executive team of the Department with recommendations regarding agency-wide short- and long-term planning and policy making decisions. The Committee will also assist in helping to ensure consistency and accuracy in the Department's planning and policy documents. The Committee has been very involved in the development of the 2010-2011 Legislative Appropriations Request, including detailed review of proposed budget structure changes, exceptional items, rider changes, performance measure targets and strategy level budget development. The Committee will continue to review and make recommendations throughout the upcoming planning process including the development of the *State of Texas Consolidated Plan* and the *State of Texas Low Income Housing Plan and Annual Report*.

Finally, TDHCA uses enterprise risk management as part of the agency's planning process. Risk management identifies and measures critical operational, strategic, and environmental risks. The process involves the following steps: identify key processes, identify risks that threaten key processes, rate severity and probability of each risk, and decide what internal controls can be used to avoid/reduce risk. The results of this assessment are then used to implement risk mitigation. This activity is an important component of strategic planning because it helps to clarify the agency's key processes and ensure that they are successfully maintained.

TDHCA continues to work toward a comprehensive approach to planning, focusing on its missions, goals, and objectives, and establishing meaningful performance measures to report its progress toward those goals and objectives.

APPENDIX C. FIVE-YEAR PROJECTIONS FOR OUTCOMES

Key Outcome Measures are shown in bold.

1 Increase Availability of Safe/Decent/Affordable Housing	2008	2009	2010	2011	2012	2013
1 Make Loans/Grants/Incentives to Fund/Develop/Preserve Housing						
% of Households/Individuals of Very Low, Low, and Moderate Income Needing Affordable Housing that Subsequently Receive Housing or Housing-Related Assistance	0.74%	0.74%	0.72%	0.71%	0.71%	0.71%
% of Households/Individuals of Very Low Income Needing Affordable Housing that Subsequently Receive Housing or Housing-Related Assistance	0.26%	0.25%	0.26%	0.26%	0.26%	0.26%
% of Households/Individuals of Low Income Needing Affordable Housing that Subsequently Receive Housing or Housing-Related Assistance	2.43%	2.39%	2.36%	2.35%	2.35%	2.35%
% of Households/Individuals of Moderate Income Needing Affordable Housing that Subsequently Receive Housing or Housing-Related Assistance	0.16%	0.13%	0.11%	0.11%	0.11%	0.11%
% of Multi-family Rental Units Benefiting Very Low, Low and Moderate Income Households	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
% of Single Family Finance Division Funding for Affordable Housing Assistance that Is Allocated Within Established Time Frames	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
% of Multifamily Finance Division Funding for Affordable Housing Assistance that Is Allocated Within Established Time Frames	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2 Provide Information and Technical Assistance						
1 Provide Info & Technical Assistance for Housing and Community Services						
% of Short Term and Long Term Information and Technical Assistance Requests Fulfilled Within Established Time Frames	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3 Improve Poor/Homeless Living Conditions & Reduce VLI Energy Costs						
1 Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year						
% of Persons in Poverty that Received Homeless and Poverty-related Assistance	12.35%	12.38%	12.35%	12.35%	12.35%	12.35%
% of Emergency Shelters Assisted	8.34%	8.23%	8.23%	8.23%	8.23%	8.23%
% of Persons Assisted that Achieve Incomes above Poverty Level	0.08%	0.07%	0.07%	0.07%	0.07%	0.07%
2 Reduce Cost of Home Energy for 6% of Very Low Income Households						
% of Very Low Income Households Receiving Energy Assistance	4.12%	4.11%	3.85%	3.85%	3.85%	3.85%
4 Ensure Compliance with Program Mandates						
1 Monitor Developments and Subrecipient Contracts for Compliance						
% of Multifamily and/or Single Family Rental Properties Monitored Annually	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
% of Contracts Administered Annually by the PMC Division	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
% of Properties Monitored by the PMC Division that Are in Material Non-compliance	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

Appendix C. Five Year Projections for Outcomes

5 Regulate Manufactured Housing Industry	2008	2009	2010	2011	2012	2013
1 Operate a Regulatory System Ensure Responsive SOL/Licensing/Other						
% of Applications Processed within Established Time Frames	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
% of Consumer Complaint Inspections Conducted within 30 Days of Request	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
% of Complaints Resulting in Disciplinary Action	15.00%	15.00%	20.00%	20.00%	20.00%	20.00%
% of Documented Complaints Resolved within Six Months	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Recidivism Rate for those Receiving Disciplinary Action	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

APPENDIX D. LIST OF MEASURE DEFINITIONS

OUTCOME MEASURE DEFINITIONS

1.1.1 Outcome

Definition: The percentage of households/individuals of very low, low, and moderate income that need housing and subsequently receive housing or housing related assistance represents services provided by the Housing Trust program, the HOME program, the Section 8 program, the HTC program, the Single Family Bond program, and the MFB program.

Data Limitations: The Department contracts with local entities to administer its various housing programs. The intake, eligibility review and actual service is provided at the local level. The reporting of households served is provided by the contracted entity. Reported performance is considered reliable.

Data Source: The number of households served is maintained by each housing program and reported quarterly. Data is entered by staff and maintained in the agency's computer system.

Methodology: The percent of households assisted is based on: (numerator) an actual count of households/individuals using TDHCA's housing programs and (denominator) the most recent census data of Texans who need affordable housing.

Purpose: This measure addresses the extent to which services are provided by all housing programs and calculates the level of service compared to the need. This measure is important because it identifies the total population in need and of that population identifies how many households/individuals the housing programs were able to serve.

1.1.2 Outcome

Definition: The percentage of very low income households receiving housing assistance represents services provided by the Housing Trust program, the HOME program, the Section 8 program, the HTC program, the Single Family Bond program, and the MFB program.

Data Limitations: The Department contracts with local entities to administer its various housing programs. The intake, eligibility review and actual service is provided at the local level. The reporting of households served is provided by the contracted entity. Reported performance is considered reliable.

Data Source: The number of very low income households served is maintained by each housing program and reported quarterly. Data is entered by staff and maintained in the agency's computer system.

Methodology: The percent of households of very low income served with housing or housing related assistance is based on: (numerator) an actual count of households/individuals using TDHCA's housing programs and (denominator) the most recent census data of very low income Texans who need affordable housing.

Purpose: The measure addresses the extent to which services are provided by all housing programs for very low income and calculates the level of service provided to the very low income population.

1.1.3 Outcome

Definition: The percentage of low income households receiving housing assistance represents services provided by the Housing Trust program, the HOME program, the Section 8 program, the HTC program, the Single Family Bond program, and the MFB program.

Data Limitations: The Department contracts with local entities to administer its various housing programs. The intake, eligibility review and actual service is provided at the local level. The reporting of households served is provided by the contracted entity. Reported performance is considered reliable.

Data Source: The number of low income households served is maintained by each housing program and reported quarterly. Data is entered by staff and maintained in the agency's computer system.

Methodology: The percent of households of low income served with housing or housing related assistance is based on: (numerator) an actual count of households/individuals using TDHCA's housing programs and (denominator) the most recent census data of low income Texans who need affordable housing.

Purpose: The measure addresses the extent to which services are provided by all housing programs for low income and calculates the level of service provided to the low income population. This measure is important because it identifies, of the number of low income, how many low income households/individuals the housing programs were able to serve.

1.1.4 Outcome

Definition: The percentage of moderate income households receiving housing assistance represents services provided by the Single Family Bond program.

Data Limitations: The Department contracts with a Master Servicer to maintain data of households served. The intake, eligibility review and actual service is provided at the local level. The reporting of households served is provided by the Master Servicer. Reported performance is considered reliable.

Data Source: The number of moderate income households served is maintained by the Single Family Bond program and reported quarterly. Data is provided by the Master Servicer, entered by staff and maintained in the agency's computer system.

Methodology: The percent of households of moderate income served with housing or housing related assistance is based on: (numerator) an actual count of moderate income households/individuals using TDHCA's housing programs and (denominator) the most recent census data of moderate income Texans who need affordable housing.

Purpose: The measure addresses the extent to which services are provided by the Single Family Bond program, which is the only housing program serving the moderate income population. This measure is important because it identifies, of the number of moderate income, how many moderate income households/individuals the Single Family Bond program was able to serve.

Appendix D: List of Measure Definitions

1.1.5 Outcome

Definition: Under the multifamily bond programs, developers/borrowers can designate either 20% of the units in each property at 50% area median family income or 40% of the units at 60% area median family income. It is not possible to determine on a projection basis the overall percentage of units within these categories that will be financed in a given year.

Data Limitations: The number of units available for very low and low income households is reported by the project developer. Performance depends on the allocation of volume cap by state lottery conducted by the Texas Bond Review Board.

Data Source: The number of very low and low income households served is maintained by the MFB program and reported quarterly. Data is entered by staff and maintained in the agency's computer system.

Methodology: To calculate the percentage of units financed at the end of the year for any category, divide the number of total units within each category by the number of total units financed.

Purpose: The measure addresses the number of units in a development that have been designated for very low and low income families. This measure is important because it measures how effectively the MFB program has been in providing rental units to very low and low income households/individuals.

1.1.6 Outcome

Definition: This measure tracks the percentage of funds allocated by the single family finance division within established time frames.

Data Limitations: No limitations.

Data Source: The allocation of funds is tracked by the division for each separate program. Data is entered by staff and maintained in the agency's computer system.

Methodology: The percent of funds allocated on time will be based on (numerator) total funds to be allocated by the deadline established for each program and (denominator) the total amount of funds allocated.

Purpose: To ensure that the agency is distributing housing funds from several sources in a timely manner.

1.1.7 Outcome

Definition: This measure that tracks the percentage of funds allocated by the multifamily finance division within established time frames.

Data Limitations: No limitations

Data Source: The allocation of funds is tracked by the division for each separate program. Data is entered by staff and maintained in the agency's computer system.

Methodology: The percent of funds allocated on time will be based on (numerator) total funds allocated by the deadline established for each program and (denominator) the total amount of funds allocated.

Purpose: To ensure that the agency is distributing housing funds from several sources in a timely manner.

2.1.1 Outcome

Definition: This measure tracks the percentage of information and technical assistance requests completed within established time frames by the Center for Housing Research, Planning, and Communications.

Data Limitations: No limitations

Data Source: The receipt and response to requests is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The percent of requests completed on time will be based on (numerator) total requests completed by the deadline established and (denominator) the total amount of requests completed.

Purpose: To ensure that the Department is responding to consumer information and technical assistance requests in a timely manner.

3.1.1 Outcome

Definition: The percentage of very low income persons (persons at or below 125% of poverty) receiving assistance divided by the total number of persons at or below 125% of poverty in Texas. Information on the number of persons assisted is submitted to the Department by subrecipients.

Data Limitations: No limitations of data.

Data Source: The percent of very low income persons (at or below 125% of poverty) that received assistance through all Community Services programs as reported in the monthly performance reports submitted to the Department by subrecipients. Subrecipients track the data manually on a daily basis and submit it to the Department in a monthly performance report.

Methodology: Based on the monthly performance reports submitted by subrecipients, the Department determines the percent of very low income persons served by dividing the total number of low income persons (at or below 125% of poverty) by the total number of persons at or below 125% of poverty in Texas: 4,172,890 as per 2000 US Census. Monthly performance information is entered in the Department's database and maintained by the Department.

Purpose: The measure identifies the percent of the very low income population (persons at or below 125% of poverty) assisted by Community Services programs. This measure is important because it identifies the impact Community Services programs have had on the target population.

3.1.2 Outcome

Definition: The percent of emergency shelters assisted is based on the number of shelters/service providers assisted through ESGP funds during the fiscal year. Each project funded through ESGP subrecipients is counted as a shelter assisted.

Data Limitations: No limitations of data.

Data Source: The total number of shelters is determined by counting the number of shelters/services providers included in the ESGP mailing list maintained by the Community Services section. The Department counts each project funded through ESGP subrecipients as a shelter assisted. The Department tracks this information from contract records.

Appendix D: List of Measure Definitions

Methodology: The percent of emergency shelters assisted is based on the number of shelters/service providers assisted through ESGP funds during the fiscal year divided by the number of homeless shelters/service providers that exist in Texas.

Purpose: The measure identifies the percent of all homeless shelters/service providers in Texas that receive assistance in a fiscal year. This measure is important because it indicates how effective the program has been in providing assistance to emergency shelters in the State.

3.1.3 Outcome

Definition: The percent of persons assisted in the CSBG program that achieve incomes above 125% of poverty is the number of persons assisted that achieve incomes above 125% of poverty, and maintain that income level for a minimum of 90 days, divided by the total number of persons at or below 125% of poverty in Texas.

Data Limitations: No limitations.

Data Source: Subrecipients report this information in their monthly performance report. The data is entered on the Department's database and maintained by the Department.

Methodology: The percentage of very low income persons (persons at or below 125% of poverty) maintaining that level of income for a minimum of 90 days divided by the total number of persons at or below 125% of poverty in Texas (4,172,890). Information on the number of persons assisted is submitted to the Department by subrecipients.

Purpose: Subrecipients are required to track the number of persons assisted that achieve incomes above 125% of poverty as a result of efforts by the subrecipients.

3.2.1 Outcome

Definition: The percentage of very low income households receiving energy assistance represents all Energy Assistance programs. Information on the number of households assisted is submitted to the Department by subrecipients.

Data Limitations: No limitations of data.

Data Source: The percent of very low income households that received energy assistance through all Energy Assistance programs is based on data reported in the Monthly Funding Financial Performance Reports and the Progress Expenditure/Monthly Fund Request Reports. According to the publication entitled "LIHEAP Home Energy Notebook for Fiscal Year 2001", issued April 7, 2003 to LIHEAP grantees by the Office of Community Services of the US Department of Health and Human Services, the number of income-eligible households for Texas is 1,324,059.

Methodology: The data is entered in an automated system and maintained by the Department. The percent of very low income households receiving energy assistance is calculated by dividing the number of very low income households receiving CEAP or WAP assistance by the most current census data representing the number of households at or below 125% of poverty in Texas (1,324,059 income-eligible households).

Purpose: The measure identifies the percent of the very low income population assisted by Energy Assistance programs. This measure indicates how effectively the Department has provided energy related services to the target population and the impact of the programs statewide.

4.1.1 Outcome

Definition: Measure represents the percentage of HTC (HTC), Affordable Housing Disposition, HOME, Tax-Exempt Bond, HTF, and other affordable housing rental projects monitored annually through on-site, in-depth, or desk reviews of tenant files. Onsite reviews also include a property and unit inspection.

Data Limitations: No limitations of data.

Data Source: Projects are monitored through on-site, in-depth, or desk reviews. Data is gathered from Departmental databases.

Methodology: The percent is derived by dividing the actual number of rental projects monitored by the total number of rental projects required to be monitored in the TDHCA Compliance portfolio.

Purpose: The Compliance section was formed to address long term compliance responsibilities of the various housing programs administered by TDHCA. The measure is important because it identifies the percent of projects monitored. Each program dictates the frequency and type of monitoring.

4.1.2 Outcome

Definition: The percent of contracts administered by PMC. Administration means ongoing contract administration activities and/or compliance monitoring reviews.

Data Limitations: No limitations

Data Source: Contracts are tracked through Department databases.

Methodology: The percent is derived by dividing the actual number of contracts administered by the number of contracts required to be administered in the contract portfolio.

Purpose: This measure identifies the percentage of contracts administered by PMC.

4.1.3 Outcome

Definition: Measure represents the percentage of HTC (HTC), Affordable Housing Disposition, HOME, Tax-Exempt Bond, HTF, and other affordable housing rental developments monitored that are determined to be in material non-compliance. Material non-compliance is identified through on-site monitoring reviews and in-depth desk reviews.

Data Limitations: No limitations.

Data Source: Information is tracked in Departmental databases.

Methodology: The percent is derived by dividing the total number of rental developments in material non-compliance by the number of rental developments monitored.

Purpose: This measure will report the developments that are in "material non-compliance" status.

5.1.1 Outcome

Definition: The percentage of Statement of Ownership & Location (SOL) and License applications processed within established time frames as opposed to those that are not.

Data Limitations: No limitations of data.

Appendix D: List of Measure Definitions

Data Source: Both the Statement of Ownership & Location and Licensing functional areas of the Manufactured Housing Division review a random selection of 25 or more applications (per month) within a reporting period.

Methodology: To obtain the percentage, divide the number of applications that are processed within the required time frame by the total number reviewed by random selection. The percentage is attained by combining the results of the SOL and Licensing functional areas. Information is manually prepared.

Purpose: Applications are processed within established time frames. The time frame for SOL applications is 10 working days; the time frame for Licensing applications is 7 working days. The importance is to measure the ability of the agency to process applications in a timely manner.

5.1.2 Outcome

Definition: The percentage of consumer complaint inspections conducted within 30 days is based on the number of consumer and industry requested inspections completed within 30 calendar days from the date that an inspection is requested.

Data Limitations: No limitations of data.

Data Source: Information is maintained in the Consumer Complaint Tracking System (CCTS).

Methodology: To obtain the percentage, divide the total number of inspections conducted within the required 30 calendar days by the total number of required inspections conducted within the reporting period.

Purpose: Consumer complaints must be addressed as required by the Act. The importance is to measure the ability of the agency to conduct consumer complaint inspections in a timely manner and to comply with the requirements set forth in the Act.

5.1.3 Outcome

Definition: The percentage of complaints that result in disciplinary action, including agreed orders, reprimands, warnings, suspensions, probation, revocation, restitution and/or penalties on which the board or executive director has acted when violations cannot be resolved informally.

Data Limitations: No limitations of data.

Data Source: Information is maintained in the Consumer Complaint Tracking System (CCTS).

Methodology: To obtain the percentage, divide the number of closed complaints with a disciplinary action by the total number of jurisdictional complaints closed.

Purpose: Efforts are made to informally resolve complaints. Violations of manufactured housing standards that cannot be resolved result in disciplinary actions. It is important that the consumers and the manufactured housing industry have an expectation that the agency will ensure fair and effective enforcement of the Act.

5.1.4 Outcome

Definition: The percentage of complaints resolved within a period of 6 months (183 days) or less from the date of receipt as opposed to complaints which take longer than six months to resolve.

Data Limitations: No limitations of data.

Data Source: Information is maintained in the Consumer Complaint Tracking System (CCTS).

Methodology: The number of jurisdictional complaints resolved within a period of six months (183 days) or less from the date of receipt divided by the total number of jurisdictional complaints resolved.

Purpose: Of the number of complaints resolved, the measure identifies those complaints that have been resolved within six months. It is important to ensure the timely enforcement of the Act, which is an agency goal.

5.1.5 Outcome

Definition: The recidivism rate for those receiving disciplinary action is the percentage of offenders who were repeat offenders during the most recent three-year period. A repeat offender is an individual or license holder with two or more disciplinary actions taken by the executive director or board within the current and preceding two fiscal years.

Data Limitations: No limitations of data.

Data Source: Information is maintained in the Consumer Complaint Tracking System (CCTS).

Methodology: To obtain the percentage, calculate the number of individuals or license holders against whom two or more disciplinary actions were taken by the executive director or board within the current and preceding two fiscal years divided by the total number of individuals or license holders receiving disciplinary actions within the current and preceding two fiscal years.

Purpose: The measure is intended to show how effectively the agency enforces its regulatory requirements and prohibitions. It is important that the agency enforce its act and rules strictly enough to ensure that consumers are protected from unsafe, incompetent and unethical practices by the license holder.

OUTCOME, EFFICIENCY, AND EXPLANATORY MEASURE DEFINITIONS

1.1.1.1 Efficiency

Definition: A measure that tracks the average First Time Homebuyer Program loan without down payment assistance amount per household assisted.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total amount of the loans will be summed and divided by the corresponding number of households.

Purpose: This measure identifies the costs and efficiency of loans without down payment assistance made through the First Time Homebuyer Program.

Appendix D: List of Measure Definitions

1.1.1.2 Efficiency

Definition: A measure that tracks the average First Time Homebuyer loan with down payment assistance per household assisted.

Data Limitations: No limitations

Data Source: The number and amounts of the loans are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of loans will be summed and divided by the corresponding number of loans.

Purpose: This measure identifies the costs and efficiency of loans with down payment assistance made through the First Time Homebuyer Program.

1.1.1.3 Efficiency

Definition: A measure that tracks the average amount of loans/grants for new construction utilizing single family bond funds.

Data Limitations: No limitations

Data Source: The numbers and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of loans/grants for new construction utilizing single family bond funds will be summed and divided by the projected number of households assisted through new construction utilizing single family bond funds.

Purpose: This measure identifies the costs associated with new construction utilizing single family bond funds.

1.1.1.4 Efficiency

Definition: A measure that tracks the average amount of loans/grants for rehabilitation utilizing single family bond funds.

Data Limitations: No limitations

Data Source: The numbers and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of loans/grants for rehabilitation utilizing single family bond funds will be summed and divided by the projected number of households assisted through rehabilitation utilizing single family bond funds.

Purpose: This measure identifies the costs associated with rehabilitation utilizing single family bond funds.

1.1.1.5 Efficiency

Definition: A measure that tracks the average Mortgage Credit Certificate (MCC) amount.

Data Limitations: There are no data limitations.

Data Source: The numbers and amounts of the MCCs are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of the MCCs will be summed and divided by the number of MCCs.

Purpose: This measure identifies the cost and efficiency of MCCs.

1.1.1.1 Explanatory

Definition: A measure that tracks the number of households receiving loans without down payment assistance through the First Time Homebuyer Program.

Data Limitations: No Limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of loans without down payment assistance funded through the First Time Homebuyer Program.

Purpose: To track the amount households receiving loans without down payment assistance through the First Time Homebuyer Program.

1.1.1.2 Explanatory

Definition: A measure that tracks the number of households receiving loans with down payment assistance through the First Time Homebuyer Program.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of loans with down payment assistance funded through the First Time Homebuyer Program. Performance is measured when loans are funded.

Purpose: To track the number of households receiving loans with down payment assistance through the First Time Homebuyer Program.

1.1.1.3 Explanatory

Definition: A measure that tracks the projected number of households assisted utilizing single family bond program funds for new construction.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through new construction utilizing single family bond funds. Performance is measured when loans are funded.

Purpose: To track the amount of households assisted through new construction activities utilizing single family bond funds.

1.1.1.4 Explanatory

Definition: A measure that tracks the projected number of households assisted through rehabilitation utilizing single family bond funds.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Appendix D: List of Measure Definitions

Methodology: The number will be a count of projected households assisted through rehabilitation utilizing single family bond funds. Performance is measured when loans are funded.

Purpose: To track the number of households assisted through rehabilitation activities utilizing single family bond funds.

1.1.1.5 Explanatory

Definition: A measure that tracks the number of Mortgage Credit Certificates (MCCs).

Data Limitations: There are no data limitations.

Data Source: The number of MCCs is tracked by the Single Family Finance Production Division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of the issued MCCs.

Purpose: This measure identifies the number of households receiving MCCs.

1.1.1.1 Output

Definition: A measure that tracks the projected number of households assisted with single family mortgage revenue bond funds.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through the single family bond funds. Performance is measured when loans are funded.

Purpose: To track the total number of households assisted with single family mortgage revenue bond funds.

1.1.2.1 Efficiency

Definition: A measure that tracks the average amount per unit of single family HOME grants for new construction.

Data Limitations: No limitations

Data Source: The number and amounts of the grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of new construction activities utilizing HOME funds will be totaled and divided by the projected number of units assisted through new construction utilizing HOME funds.

Purpose: This measure identifies the costs associated with new construction activities utilizing HOME funds.

1.1.2.2 Efficiency

Definition: A measure that tracks the average amount per household of loans/grants for rehabilitation utilizing single family HOME funds.

Data Limitations: No limitations

Data Source: The numbers and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of rehabilitation utilizing HOME funds will be summed and divided by the projected number of households assisted through rehabilitation utilizing HOME funds.

Purpose: This measure identifies the costs associated with rehabilitation utilizing HOME funds.

1.1.2.3 Efficiency

Definition: A measure that tracks the average amount per household of mortgage financing and homebuyer assistance grants utilizing single family HOME CHDO funds.

Data Limitations: No limitations

Data Source: The amounts of the financing and grants and number of units are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of mortgage financing and homebuyer assistance funds awarded utilizing HOME CHDO funds will be summed and divided by the projected number of units assisted through financing and homebuyer assistance activities.

Purpose: This measure identifies the costs associated with financing affordable housing utilizing HOME CHDO funds.

1.1.2.4 Efficiency

Definition: A measure that tracks the average amount per household of homebuyer assistance loans and/or grants utilizing single family HOME non-CHDO funds.

Data Limitations: No limitations

Data Source: The number and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of homebuyer assistance loans/grants utilizing HOME non-CHDO funds will be summed and divided by the projected number of households assisted through homebuyer assistance activities.

Purpose: This measure identifies the costs associated with financing affordable housing and measures the efficiency of allocating HOME non-CHDO funds.

1.1.2.5 Efficiency

Definition: A measure that tracks the average amount per household of tenant based rental assistance utilizing HOME funds.

Data Limitations: No limitations

Data Source: The numbers and amounts are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of tenant based rental assistance utilizing HOME funds will be summed and divided by the projected number of households assisted through tenant based rental assistance utilizing HOME funds.

Purpose: This measure identifies the costs associated with tenant based rental assistance utilizing HOME funds.

Appendix D: List of Measure Definitions

1.1.2.1 Explanatory

Definition: A measure that tracks the projected number of households assisted utilizing single family HOME funds for new construction.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted utilizing HOME funds for new construction. Performance is measured when contracts are awarded.

Purpose: To track the number of households assisted utilizing HOME funds for new construction.

1.1.2.2 Explanatory

Definition: A measure that tracks the projected number of households assisted through single family HOME funds for rehabilitation.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through HOME funds for rehabilitation. Performance is measured when contracts are awarded or loans are funded.

Purpose: To track the number of households assisted through HOME funds for rehabilitation.

1.1.2.3 Explanatory

Definition: A measure that tracks the projected number of households assisted through single family HOME CHDO funds for mortgage financing and homebuyer assistance.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through HOME CHDO funds for mortgage financing and homebuyer assistance. Performance is measured when contracts are awarded.

Purpose: To track the number of households assisted through HOME CHDO funds for mortgage financing and homebuyer assistance.

1.1.2.4 Explanatory

Definition: A measure that tracks the projected number of households assisted through single family HOME non-Community Development Housing Organization (non-CHDO) funds for homebuyer assistance.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through HOME non-CHDO funds for financing and homebuyer assistance. Performance is measured when contracts are awarded.

Purpose: To track the number of households assisted through HOME non-CHDO funds for homebuyer assistance.

1.1.2.5 Explanatory

Definition: A measure that tracks the projected number of households assisted through HOME tenant based rental assistance.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through HOME tenant based rental assistance. Performance is measured when contracts are awarded.

Purpose: To track the number of households assisted through HOME tenant based rental assistance.

1.1.2.1 Output

Definition: A measure that tracks the projected number of households assisted through HOME funds in the single family finance division.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through HOME funds. Performance is measured when contracts are awarded.

Purpose: To track the amount of households assisted through single family HOME funds.

1.1.3.1 Efficiency

Definition: A measure that tracks the average amount per unit of loans/grants for new construction utilizing the HTF.

Data Limitations: No limitations

Data Source: The numbers and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of loans/grants for new construction utilizing the HTF will be summed and divided by the projected number of households assisted through new construction utilizing the HTF.

Purpose: This measure identifies the costs associated with new construction utilizing the HTF.

1.1.3.2 Efficiency

Definition: A measure that tracks the average amount per unit of loans/grants for rehabilitation utilizing the HTF.

Data Limitations: No limitations

Appendix D: List of Measure Definitions

Data Source: The numbers and amounts of the loans/grants are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of loans/grants for rehabilitation utilizing the HTF will be summed and divided by the projected number of households assisted through rehabilitation utilizing the HTF.

Purpose: This measure identifies the costs associated with rehabilitation utilizing the HTF.

1.1.3.1 Explanatory

Definition: A measure that tracks the projected number of households assisted through new construction utilizing the HTF.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through new construction utilizing the HTF. Performance is measured when loans are funded.

Purpose: To track the number of households assisted through new construction utilizing the HTF.

1.1.3.2 Explanatory

Definition: A measure that tracks the projected number of households assisted through rehabilitation utilizing the HTF.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through rehabilitation utilizing the HTF. Performance is measured when loans are funded.

Purpose: To track the number of households assisted through rehabilitation utilizing the HTF.

1.1.3.1 Output

Definition: A measure that tracks the projected number of households assisted through the HTF in the single family finance division.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through HTF funds. Performance is measured when loans are funded.

Purpose: To track the amount of households assisted through single family HTF funds.

1.1.4.1 Efficiency

Definition: The average cost per household served represents an average of the local operators payments and TDHCA administrative expenditures.

Data Limitations: No limitations

Data Source: Expenditures are tracked through the Department's financial automated system.

Methodology: The average cost per household served is the sum of local operators payments and TDHCA administrative expenditures divided by the total number of contracts executed and managed, i.e., total new and renewed contracts added to the number of contracts in place September 1.

Purpose: The measure identifies the efficiency in costs to provide Section 8 services to a very low income household.

1.1.4.1 Output

Definition: The number of very low income households receiving rent supplements represents the total number of households participating in the Section 8 certificate program and the Housing Choice Voucher program.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number will be a count of projected households assisted through Section 8 tenant based rental assistance. The performance figure reported for the first quarter represents the total number of households receiving Section 8 assistance as of September 1. Subsequent quarters report only new contracts executed for the reporting period.

Purpose: To track the amount of households assisted through Section 8 tenant based rental assistance.

1.1.5.1 Efficiency

Definition: A measure that tracks the projected average amount of credits per low income unit of new construction utilizing the HTC program.

Data Limitations: Federal regulations establish the amount of tax credits available.

Data Source: The projected number of low income units and amount of credits for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the sum of total new construction tax credits awarded by the number of restricted units to be newly constructed. This calculation will include both 9% and 4% Housing Tax Credit awards. 9% credit activity will be considered at the time the Board approves the award. 4% credit activity will be considered at the time the bond transaction closes. At the close of the fiscal year, this data will be updated to accurately reflect any awards that will not actually be utilized do to problems with the transaction.

Purpose: This measure identifies the subsidy associated with developing affordable housing units and measures the efficiency of allocating tax credits.

1.1.5.2 Efficiency

Definition: A measure that tracks the average total development costs per unit of new construction utilizing the HTC program.

Data Limitations: Information is based on preliminary estimates by the applicants.

Appendix D: List of Measure Definitions

Data Source: The projected total number of units in the development and total development costs for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the sum of total new construction development costs by the number of restricted units to be newly constructed. This calculation will include both 9% and 4% Housing Tax Credit awards. 9% credit activity will be considered at the time the Board approves the award. 4% credit activity will be considered at the time the bond transaction closes. At the close of the fiscal year, this data will be updated to accurately reflect any awards that will not actually be utilized do to problems with the transaction.

Purpose: This measure identifies the total development costs associated with developing affordable housing units. Although useful to track, this measure is outside of the Department's control.

1.1.5.3 Efficiency

Definition: A measure that tracks the projected average amount of credits per rehabilitated and acquired low income unit utilizing HTCs.

Data Limitations: Federal regulations establish the amount of tax credits available.

Data Source: The projected number of low income units and amount of credits for rehabilitation and acquisition is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the sum of total annual rehabilitation tax credits awarded by the number of restricted units to be rehabilitated. This calculation will include both 9% and 4% Housing Tax Credit awards. 9% credit activity will be considered at the time the Board approves the award. 4% credit activity will be considered at the time the bond transaction closes. At the close of the fiscal year, this data will be updated to accurately reflect any awards that will not actually be utilized do to problems with the transaction.

Purpose: This measure identifies the subsidy associated with rehabilitating and acquiring affordable housing and measures the efficiency of allocating tax credits.

1.1.5.4 Efficiency

Definition: A measure that tracks the average total development costs per rehabilitated and acquired unit utilizing HTCs.

Data Limitations: Information is based on preliminary estimates by the applicants.

Data Source: The total development costs and the projected total number of units in the development is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the sum of total rehabilitation development costs by the number of restricted units to be rehabilitated. This calculation will include both 9% and 4% Housing Tax Credit awards. 9% credit activity will be considered at the time the Board approves the award. 4% credit activity will be considered at the time the bond transaction closes. At the close of the fiscal year, this data will be updated to

accurately reflect any awards that will not actually be utilized do to problems with the transaction.

Purpose: This measure identifies the total development costs associated with rehabilitating and acquiring affordable housing.

1.1.5.1 Explanatory

Definition: A measure that tracks the projected number of low income new construction units assisted through the HTC program.

Data Limitations: Federal regulations establish the amount of tax credits available.

Data Source: The projected number of units is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all units to be newly constructed as proposed in awarded applications. This calculation will include both 9% and 4% Housing Tax Credit awards. 9% credit activity will be considered at the time the Board approves the award. 4% credit activity will be considered at the time the bond transaction closes. At the close of the fiscal year, this data will be updated to accurately reflect any awards that will not actually be utilized do to problems with the transaction.

Purpose: To track the number of new construction units assisted through the HTC program.

1.1.5.2 Explanatory

Definition: A measure that tracks the projected number of low income rehabilitation and acquisition units assisted through the HTC program.

Data Limitations: Federal regulations establish the amount of tax credits available.

Data Source: The projected number of units is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all units to be rehabilitated as proposed in awarded applications. This calculation will include both 9% and 4% Housing Tax Credit awards. 9% credit activity will be considered at the time the Board approves the award. 4% credit activity will be considered at the time the bond transaction closes. At the close of the fiscal year, this data will be updated to accurately reflect any awards that will not actually be utilized do to problems with the transaction.

Purpose: To track the number of rehabilitation and acquisition units assisted through the HTC program.

1.1.5.1 Output

Definition: A measure that tracks the projected number of low income units financed through the multifamily division utilizing HTCs.

Data Limitations: No limitations

Data Source: The number of units is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all units to be newly constructed or rehabilitated as proposed in awarded applications. This calculation will include both 9% and 4% Housing Tax Credit awards. 9% credit activity will be considered at the time the Board approves the award. 4% credit activity will be considered at the time the bond transaction

Appendix D: List of Measure Definitions

closes. At the close of the fiscal year, this data will be updated to accurately reflect any awards that will not actually be utilized do to problems with the transaction.

Purpose: To track the total amount of multifamily units assisted utilizing the HTC program.

1.1.6.1 Efficiency

Definition: A measure that tracks the projected average amount or loans/grants per low income unit of new construction utilizing HOME CHDO funds.

Data Limitations: No limitations

Data Source: The projected number of low income units and amount of funds utilized for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total dollar amount of new construction assistance utilizing HOME CHDO funds will be summed and divided by the projected number of new construction low income units assisted utilizing HOME CHDO funds.

Purpose: This measure identifies the loan/grant amount associated with developing housing units and measures the efficiency of utilizing HOME CHDO funds.

1.1.6.2 Efficiency

Definition: A measure that tracks the projected average total development costs of HOME CHDO new construction.

Data Limitations: Information is based on preliminary estimates by the applicants.

Data Source: The projected total number of units in the development and total development costs for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This measure will be calculated by dividing the sum of HOME CHDO new construction total development costs estimated in awarded applications by the corresponding number of restricted units to be newly constructed.

Purpose: This measure identifies the total development costs associated with developing affordable housing units.

1.1.6.3 Efficiency

Definition: A measure that tracks the projected average amount per low income unit of new construction utilizing HOME non-CHDO funds.

Data Limitations: No limitations

Data Source: The projected number of low income units and amount of funds utilized for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the amount of HOME Non-CHDO new construction funds awarded by the corresponding number of restricted units to be newly constructed.

Purpose: This measure identifies the loan/grant amount associated with developing affordable housing units and measures the efficiency of utilizing HOME non-CHDO funds.

1.1.6.4 Efficiency

Definition: A measure that tracks the average total development costs per unit of HOME non-CHDO new construction.

Data Limitations: Information is based on preliminary estimates by the applicants.

Data Source: The projected total number of units in the development and total development costs for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the sum of HOME Non-CHDO total development costs estimated in awarded applications by the corresponding number of restricted units to be newly constructed.

Purpose: This measure identifies the total development costs associated with developing affordable housing units.

1.1.6.5 Efficiency

Definition: A measure that tracks the projected average amount per low income unit of rehabilitation and acquisition utilizing HOME CHDO funds.

Data Limitations: No limitations

Data Source: The projected number of low income units and amount of funds utilized for rehabilitation and acquisition is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This measure will be calculated by dividing the amount of HOME CHDO rehabilitation/acquisition funds awarded by the corresponding number of units to be rehabilitated or acquired. This figure will not include CHDO Operating Grants or Predevelopment Loans.

Purpose: This measure identifies the amount associated with the rehabilitation and acquisition of affordable housing units and measures the efficiency of utilizing HOME CHDO funds.

1.1.6.6 Efficiency

Definition: A measure that tracks the projected average total development costs of HOME CHDO rehabilitation and acquisition.

Data Limitations: Information is based on preliminary estimates by the applicants.

Data Source: The projected total number of units in the development and total development costs for rehabilitation and acquisition is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This measure will be calculated by dividing the sum of HOME CHDO rehabilitation/acquisition total development costs estimated in awarded applications by the corresponding number of units to be rehabilitated or acquired. This figure will not include CHDO Operating Grants or Predevelopment Loans.

Purpose: This measure identifies the total development costs associated with the rehabilitation and acquisition of affordable housing units.

1.1.6.7 Efficiency

Appendix D: List of Measure Definitions

Definition: A non-key measure that tracks the projected average amount per low income unit of rehabilitation and acquisition utilizing HOME non-CHDO funds.

Data Limitations: No limitations

Data Source: The projected number of low income units and amount of funds utilized for rehabilitation and acquisition is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This measure will be calculated by dividing the amount of HOME Non-CHDO rehabilitation/acquisition funds awarded by the corresponding number of units to be rehabilitated or acquired. This figure will not include CHDO Operating Grants or Predevelopment Loans.

Purpose: This measure identifies the amount associated with the rehabilitation and acquisition of affordable housing units and measures the efficiency of utilizing HOME non-CHDO funds.

1.1.6.8 Efficiency

Definition: A measure that tracks the average total development costs per unit of HOME non-CHDO rehabilitation and acquisition.

Data Limitations: Information is based on preliminary estimates by the applicants.

Data Source: The projected total number of units in the development and total development costs for rehabilitation and acquisition is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The total development costs of rehabilitation and acquisition assistance utilizing HOME non-CHDO funds will be summed and divided by the projected total number of rehabilitation and acquisition units.

Purpose: This measure identifies the total development costs associated with the rehabilitation and acquisition of affordable housing units.

1.1.6.1 Explanatory

Definition: A measure that tracks the projected number of households assisted utilizing multifamily HOME CHDO funds for new construction.

Data Limitations: No limitations

Data Source: The projected number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all restricted units awarded HOME CHDO funds for new construction activities. This figure will not include CHDO Operating Grants or Predevelopment Loans.

Purpose: To track the number of households assisted utilizing HOME CHDO funds for new construction.

1.1.6.2 Explanatory

Definition: A measure that tracks the projected number of households assisted utilizing multifamily HOME non-CHDO (non-CHDO) funds for new construction.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all restricted units awarded HOME Non-CHDO funds for new construction activities.

Purpose: To track the number of households assisted through HOME non-CHDO funds for new construction.

1.1.6.3 Explanatory

Definition: A measure that tracks the projected number of households assisted utilizing multifamily HOME CHDO funds for rehabilitation and acquisition.

Data Limitations: No limitations

Data Source: The projected number of units is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all restricted units awarded HOME CHDO funds for rehabilitation or acquisition activities. This figure will not include CHDO Operating Grants or Predevelopment Loans.

Purpose: To track the number of households assisted utilizing HOME CHDO funds for rehabilitation and acquisition.

1.1.6.4 Explanatory

Definition: A measure that tracks the projected number of households assisted utilizing multifamily HOME non-CHDO (non-CHDO) funds for rehabilitation and acquisition.

Data Limitations: No limitations

Data Source: The projected number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all restricted units awarded HOME Non-CHDO funds for rehabilitation or acquisition activities.

Purpose: To track the number of households assisted through HOME non-CHDO funds for rehabilitation and acquisition.

1.1.6.1 Output

Definition: A measure that tracks the projected number of households assisted through the multifamily division utilizing HOME funds.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all restricted units awarded HOME funds for rental development activities by the MF Division. This figure will not include CHDO Operating Grants or Predevelopment Loans.

Purpose: To track the total amount of multifamily units assisted utilizing HOME funds.

1.1.7.1 Efficiency

Definition: A measure that tracks the projected average loan/grant amount per low income unit of HTF (HTF) new construction.

Appendix D: List of Measure Definitions

Data Limitations: No limitations

Data Source: The projected number of low income units and amount of funds is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the sum of all funds awarded for new rental development activities by the total number of estimated units as represented in applications to be newly constructed. This calculation may include wards for predevelopment loans, capacity building grants, and any other special initiative administered by the HTF.

Purpose: This measure identifies the average costs associated with developing affordable housing units and measures the efficiency of awarding HTF monies.

1.1.7.2 Efficiency

Definition: A measure that tracks the projected average total development costs per unit of HTF (HTF) new construction.

Data Limitations: Information is based on preliminary estimates by the applicants.

Data Source: The projected total number of units in the development and total development costs is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the sum of total new development costs estimated in awarded applications by the projected number units to be newly constructed. This figure may include awards from the rental development, predevelopment, capacity building or any other special initiative administered by the Housing Trust Fund.

Purpose: This measure identifies the total development costs associated with developing affordable housing units.

1.1.7.3 Efficiency

Definition: A measure that tracks the average loan/grant amount per low income unit of HTF (HTF) rehabilitation and acquisition.

Data Limitations: No limitations

Data Source: The projected number of low income units and amount of funds is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the sum of all funds awarded for rehabilitation rental development activities by the total number of estimated units as represented in applications to be rehabilitated. This calculation may include awards for predevelopment loans, capacity building grants, and any other special initiative administered by the HTF.

Purpose: This measure identifies the costs associated with rehabilitating and acquiring affordable housing units and measures the efficiency of awarding HTF monies.

1.1.7.4 Efficiency

Definition: A measure that tracks the average total development costs per unit of HTF (HTF) rehabilitation and acquisition activities.

Data Limitations: Information is based on preliminary estimates by the applicants.

Data Source: The projected total number of units in the development and total development costs is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the sum of total rehabilitation development costs estimated in awarded applications by the number of units to be rehabilitated. This calculation may include awards for predevelopment loans, capacity building grants, and any other special initiative administered by the HTF.

Purpose: This measure identifies the total development costs associated with rehabilitating and acquiring affordable housing units.

1.1.7.1 Explanatory

Definition: A measure that tracks the projected number of households assisted through new construction activities using the HTF (HTF) program.

Data Limitations: No limitations

Data Source: The projected number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all restricted units planned to be developed through new construction by applicants for rental development, predevelopment, capacity building, or any other program administered by the Housing Trust Fund. This calculation may include awards for predevelopment loans, capacity building grants, and any other special initiative administered by the Housing Trust Fund.

Purpose: To track the number of households assisted through new construction activities using the HTF program.

1.1.7.2 Explanatory

Definition: A measure that tracks the projected number of households assisted through rehabilitation and acquisition activities using the HTF (HTF) program.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all restricted units planned to be developed through rehabilitation by applicants for rental development, predevelopment, capacity building, or any other program administered by the Housing Trust Fund. This calculation may include awards for predevelopment loans, capacity building grants, and any other special initiative administered by the Housing Trust Fund.

Purpose: To track the number of households assisted through rehabilitation and acquisition using the HTF program.

1.1.7.1 Output

Definition: A measure that tracks the projected number of households assisted through the multifamily division utilizing the HTF (HTF) program.

Data Limitations: No limitations

Data Source: The number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Appendix D: List of Measure Definitions

Methodology: This figure will be calculated as the sum of all restricted units planned to be developed by applicants awarded funds for rental development. This calculation may include awards for predevelopment loans, capacity building grants, and any other special initiative administered by the Housing Trust Fund.

Purpose: To track the total amount of multifamily units assisted utilizing the HTF program.

1.1.8.1 Efficiency

Definition: A measure that tracks the projected average amount of bonds per low income unit of Mortgage Revenue Bond (MRB) new multifamily construction.

Data Limitations: No limitations

Data Source: The projected number of low income units and amount of bonds for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the total value of mortgage revenue bonds awarded by the number of units to be newly constructed.

Purpose: This measure identifies the average amount of bonds associated with developing affordable housing and measures the efficiency of awarding multifamily MRB funds. Although useful to track, this measure is outside of the Department's control.

1.1.8.2 Efficiency

Definition: A measure that tracks the projected average total development costs per unit of Mortgage Revenue Bond (MRB) new multifamily construction.

Data Limitations: Information is based on preliminary estimates by the applicants.

Data Source: The projected total number of units in the development and total development costs for new construction is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the sum of total development costs estimated in applications by the number of units to be newly constructed.

Purpose: This measure identifies the costs associated with developing affordable housing units.

1.1.8.3 Efficiency

Definition: A measure that tracks the projected average bond amount per low income unit of multifamily Mortgage Revenue Bond (MRB) rehabilitation and acquisition.

Data Limitations: No limitations

Data Source: The projected number of low income units and amount of bonds is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the total value of mortgage revenue bonds awarded by the number of units to be rehabilitated.

Purpose: This measure identifies the average amount of bonds associated with rehabilitating and acquiring affordable housing and measures the efficiency of awarding multifamily MRB funds.

1.1.8.4 Efficiency

Definition: A measure that tracks the projected average total development costs per unit of multifamily Mortgage Revenue Bond (MRB) rehabilitation and acquisition.

Data Limitations: Information is based on preliminary estimates from the applicants.

Data Source: The projected total number of units in the development and amount of total development costs is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated by dividing the sum of total development costs estimated in applications by the number of units to be rehabilitated.

Purpose: This measure identifies the total development costs amount associated with rehabilitating and acquiring affordable housing units.

1.1.8.1 Explanatory

Definition: A measure that tracks the projected number of households assisted through new construction activities utilizing the multifamily Mortgage Revenue Bond (MRB) program.

Data Limitations: No limitations

Data Source: The projected number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all restricted units to be newly constructed as proposed in awarded applications.

Purpose: To track the number of households assisted through new construction units assisted utilizing multifamily MRB program.

1.1.8.2 Explanatory

Definition: A measure that tracks the projected number of households assisted through rehabilitation and acquisition activities utilizing the multifamily Mortgage Revenue Bond (MRB) program.

Data Limitations: No limitations

Data Source: The projected number of households is tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all restricted units to be rehabilitated as proposed in awarded applications.

Purpose: To track the number of households assisted through rehabilitation and acquisition activities utilizing the multifamily MRB program.

1.1.8.1 Output

Definition: A measure that tracks the projected number of low income units financed through the multifamily division utilizing mortgage revenue bond funds.

Data Limitations: No limitations

Data Source: The number of units is tracked by the division for each separate program. Data is entered by staff and maintained in the agency's computer system.

Methodology: This figure will be calculated as the sum of all restricted units to be newly constructed or rehabilitated as proposed in awarded applications.

Appendix D: List of Measure Definitions

Purpose: To track the total amount of low income multifamily units assisted utilizing mortgage revenue bond funds.

2.1.1.1 Output

Definition: A measure tracking the number of information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications.

Data Limitations: No limitations

Data Source: The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number of requests received is a total of the requests entered into the division database.

Purpose: To track the consumer information and technical assistance requests received and fulfilled.

2.1.1.2 Output

Definition: A measure tracking the number of short term (completed by phone) information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications.

Data Limitations: No limitations

Data Source: The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number of short term requests received is a total of the short term requests entered into the division database.

Purpose: To track the short term consumer information and technical assistance requests received.

2.1.1.3 Output

Definition: A measure tracking the number of long term (completed by email or mail) information and technical assistance requests completed by the Center for Housing Research, Planning, and Communications.

Data Limitations: No limitations

Data Source: The requests are tracked by the division. Data is entered by staff and maintained in the agency's computer system.

Methodology: The number of long term requests received is a total of the long term requests entered into the division database.

Purpose: To track the long term consumer information and technical assistance requests received.

2.2.1.1 Output

Definition: The number of technical assistance visits is based on actual on-site technical assistance visits conducted by the field offices' staff. Technical assistance visits includes: meeting with local governments (cities & counties) staff and nonprofits providing agency information on programs and services; follow-up on contract compliance measures with

Colonia Self-Help Centers; and general interview sessions with individuals to provide referral services to other office and agencies available to address issues of concern.

Data Limitations: No limitations.

Data Source: Actual on-site visits are reported by staff.

Methodology: On-site visits are manually tracked by staff and maintained in the Department's database.

Purpose: The purpose of the measure is to identify the level technical assistance provided to Colonia residents as required by Senate Bill 1509. This measure is important because it identifies the effectiveness of the program and compliance with legislative mandates.

2.2.1.2 Output

Definition: The number of Colonia residents receiving assistance annually through the Colonia Self-Help Centers. This includes the following types of assistance: 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, and capital access for mortgages.

Data Limitations: Deviation from targeted performance could occur if participation of Colonia residents is lower than expected.

Data Source: Actual assistance provided.

Methodology: The Self Help Centers will provide a quarterly report on the assistance provided. This data will be maintained in the Department's records.

Purpose: This measure is important because it identifies the effectiveness of the program in providing assistance to Colonia residents with a wide array of services.

2.2.1.3 Output

Definition: The number of persons educated as a result of Senate Bill 336 is calculated by adding together the number of people: attending training/lectures, calling and/or receiving information; the number of publications distributed (newsletter, magazine, or paper), population viewing or hearing media public service spots (calculated by radio or TV station).

Data Limitations: Deviation from targeted performance could occur if participation of Colonia residents is lower than expected.

Data Source: Actual persons receiving services.

Methodology: Information is manually tracked by staff.

Purpose: The Office of Colonia Initiatives is responsible for developing and implementing the Contract For Deed Consumer Education Program (Senate Bill 336) for residents who purchase residential land under a contract for deed. This measure is important because it supports Senate Bill 336 and identifies the effectiveness of the program.

3.1.1.1 Efficiency

Definition: The average agency administrative cost per person assisted represents personnel costs, operating costs, capital expenditures and indirect expenditures as identified in the LAR. The Department's fiscal section calculates expenditures related to personnel, operations, capital items, and indirect costs.

Appendix D: List of Measure Definitions

Data Limitations: A possible limitation could be limitations on obtaining expenditure data for the reported period.

Data Source: The total number of persons served is gathered from the subrecipients' monthly performance reports.

Methodology: The efficiency measure is determined by dividing the total administrative expenditure of Community Service funds by the total number of clients served in Community Service programs.

Purpose: The purpose of the measure shows the efficiency in costs to administer the program.

3.1.1.1 Explanatory

Definition: Figure represents the estimated number of emergency shelters in Texas.

Data Limitations: There is no accurate way to count the actual number of emergency shelters in Texas.

Data Source: The estimated number of emergency shelters is based on the total number of entities on the ESGP mailing list less those entities that do not represent shelters.

Methodology: Number is estimated.

Purpose: The purpose of the measure is to identify the number of emergency shelters available to assist homeless individuals.

3.1.1.2 Explanatory

Definition: Figure represents the most recent census data.

Data Limitations: Information is collected every ten years.

Data Source: Information is obtained from the most recent census data.

Methodology: Number is actual.

Purpose: The purpose of the measure identifies the number of persons at or below 125% of poverty (4,172,890) and identifies the number of persons in need.

3.1.1.1 Output

Definition: This measure tracks the number of persons assisted through homeless and poverty related programs.

Data Limitations: A possible limitation could be subrecipients failing to submit required reports on a timely basis.

Data Source: Subrecipients track the data on a daily basis, incorporate it in a monthly performance report, and electronically submit the information to the Department. The monthly performance report information is entered in the Department database and maintained by the Department.

Methodology: Performance reported is actual number.

Purpose: The purpose of the measure is to identify the number of persons at or below 125% of poverty assisted by all Community Services programs.

3.1.1.2 Output

Definition: Measure relates to the number of persons assisted that achieve incomes above 125% of poverty level for a minimum of 90 days.

Data Limitations: A possible limitation could be subrecipients failing to submit required reports on a timely basis.

Data Source: The number of persons achieving incomes above 125% of poverty is reported in the subrecipients' monthly performance reports. Subrecipients are required to track the number of persons assisted that achieve incomes above the poverty level as a result of efforts by the subrecipients. Subrecipients report this information in their monthly performance report. The data is entered on the Department database and maintained by the Department.

Methodology: Performance reported is actual number.

Purpose: The purpose of the measure is to identify the number of persons the program has helped to achieve incomes above the poverty level.

3.1.1.3 Output

Definition: Measure relates to the number of shelters assisted through ESGP funds.

Data Limitations: No limitations on data.

Data Source: The Department tracks information from contract records. The Department tracks this information from contract records. Assistance to a shelter is reported only once a year during the quarter the contract is initiated.

Methodology: Performance reported is actual number. The Department counts each project funded through ESGP contractors as a shelter assisted.

Purpose: The purpose of the measure is to identify the effectiveness of the program and the number of shelters the program is able to fund.

3.2.1.1 Efficiency

Definition: The average cost per household served is calculated based on the number of households assisted by CEAP and WAP from the Monthly Funding Performance Report from subrecipients and the administrative expenditures report from TDHCA Budget and Accounting section.

Data Limitations: Performance reports received past the due date from subrecipients could result in incomplete data. Increase or decrease in funding could create a variance in the targeted goal.

Data Source: The average cost per household served is calculated based on the number of households assisted by CEAP and WAP from the subrecipient Monthly Funding Performance Report divided by the administrative expenditures as reported by TDHCA Budget and Accounting Section.

Methodology: Calculations are based on the total administrative expenditures including indirect cost for the Energy Assistance section divided by the total number of households served.

Purpose: The measure identifies the average administrative cost to provide service to a household.

Appendix D: List of Measure Definitions

3.2.1.2 Efficiency

Definition: The statewide average cost to weatherize a home includes the cumulative cost of labor, materials, and program support for all completed units in the state divided by the number of completed units.

Data Limitations: Increase or decrease in funding could create a variance in the targeted goal.

Data Source: Monthly expenditures and performance reports are entered by subrecipients through the Department's online reporting system.

Methodology: Calculations are based on the cumulative cost of labor, materials, and program support for all completed units in the state divided by the number of completed units.

Purpose: The measure identifies the average cost to perform weatherization on a home.

3.2.1.1 Explanatory

Definition: The number of very low income households income-eligible for energy assistance in Texas is determined based on the maximum eligibility limit of 125% of the Federal OMB poverty guidelines.

Data Limitations: No limitations.

Data Source: According to the publication entitled LIHEAP Home Energy Notebook for Fiscal Year 2001, issued on April 7, 2003 (via transmittal no. LIHEAP-IM-2003-7) to LIHEAP grantees by the Office of Community Services of the US Department of Health and Human Services, the number of very income-eligible households for LIHEAP grantees by the Office of Community Services of the US Department of Health and Human Services, the number of very income-eligible households for Survey (CPS) 1999-2001.

Methodology: Data represents an actual number.

Purpose: The purpose of the measure is to identify the eligibility population of the state. It is important because it identifies the level of need in the state.

3.2.1.1 Output

Definition: The number of households assisted through the Comprehensive Energy Assistance Program (CEAP) represents the number of unduplicated households receiving services under the four program components, consisting of co-pay, elderly/disabled Energy Crisis Program, and the heating and cooling systems components. Each of these program components provides stand-alone services. A household may be assisted by more than one component depending on needs.

Data Limitations: Targeted performance could be impacted by changes in funding levels, the price of energy and extremes in temperature.

Data Source: Monthly expenditures and performance reports are entered by subrecipients through the Department's online reporting system.

Methodology: Number is actual.

Purpose: The LIHEAP program provides direct financial assistance for energy needs of low income persons through the Comprehensive Energy Assistance Program (CEAP). The measure is important because it identifies the effectiveness of the CEAP program through the number of households receiving CEAP.

3.2.1.2 Output

Definition: The number of dwelling units weatherized is based on Monthly Progress Expenditure/Monthly Fund Request Reports submitted to the Department by the weatherization subrecipients.

Data Limitations: Targeted performance could be impacted by changes in funding levels.

Data Source: Monthly expenditures and performance reports are entered by subrecipients through the Department's online reporting system. Performance data from these reports is entered in an automated system and maintained by the Department. Performance figures represent an unduplicated number of weatherization units from the Department's DOE and LIHEAP Weatherization programs.

Methodology: The performance number reported represents the actual number of dwelling units weatherized.

Purpose: The WAP program provides residential weatherization and other cost-effective energy-related home repair to increase the energy efficiency of dwellings owned or occupied by low-income persons. The measure is important because it identifies the effectiveness of the program through the number of homes receiving weatherization services.

4.1.1.1 Efficiency

Definition: The average cost to monitor a rental development includes the resources needed to provide determination of program compliance and effectiveness of rental programs.

Data Limitations: No limitations.

Data Source: Expenditure data is maintained in the Department's automated information systems.

Methodology: The average cost is derived by dividing the total budgeted cost for rental development monitoring activities by the number of rental developments monitored.

Purpose: The measure identifies the average cost to monitor a rental development.

4.1.1.1 Explanatory

Definition: The total number of rental developments in the TDHCA compliance monitoring portfolio. This number represents the portfolio for which the PMC division is responsible. This includes developments monitored by on-site file review, desk review, a combination of onsite and desk reviews, or other compliance activities depending on program requirements. Program development totals vary throughout the year.

Data Limitations: No limitations.

Data Source: Program totals are maintained by the Department's databases.

Methodology: Figure represents actual number of developments in the compliance monitoring portfolio.

Purpose: The measure provides the total number of housing developments in the compliance monitoring portfolio.

Appendix D: List of Measure Definitions

4.1.1.2 Explanatory

Definition: Total number of housing units in the multi and single family rental developments monitored by the Department. The total number includes both restricted and unrestricted units. Units under construction as well as units available for lease are included in the total.

Data Limitations: No limitations.

Data Source: Unit totals are maintained by the Department's databases.

Methodology: Figure represents actual number of units constructed or rehabilitated.

Purpose: The measure provides information of the total rental units monitored by the Department.

4.1.1.1 Output

Definition: Measure represents the number of both onsite and desk reviews conducted under rental monitoring programs.

Data Limitations: No limitations.

Data Source: The data is gathered by program from Department data bases.

Methodology: Number is actual.

Purpose: The measure meets statutory and agency requirements.

4.1.1.2 Output

Definition: Measure represents the number of desk reviews conducted under rental programs. In addition to on-site reviews, monthly, quarterly, and-or annual compliance reporting is required. These reports are a vehicle for measuring overall and ongoing compliance with rent, income, and other controls and requirements. The frequency in the number of reports is determined by program requirement, and may vary depending on the level of compliance. Desk reviews conducted also include the review of Fair Housing Sponsor Reports, substantial construction certification reviews, construction inspection reviews, and other reviews.

Data Limitations: No limitations.

Data Source: The data is gathered by program from Department data bases.

Methodology: Number is actual.

Purpose: The measure meets statutory and agency requirements.

4.1.1.3 Output

Definition: Measure represents the number of on-site, in-depth desk reviews (done in lieu of on-site reviews for projects with 10 or less units), and 8609 inspections conducted under rental programs. The reviews provide the best measure of program compliance and effectiveness of affordable housing programs. The frequency of reviews is either statutorily or agency required, therefore the number meets or exceeds the specific program requirement.

Data Limitations: No limitations.

Data Source: The data is gathered by program from Department databases.

Methodology: The number reported is the actual number of reviews performed.

Purpose: The measure meets statutory and agency requirements.

4.1.1.4 Output

Definition: Measure represents the number of technical assistance calls, Open Records Requests, complaints and other public requests processed and the number of trainings conducted.

Data Limitations: No limitations.

Data Source: The data is gathered by program from Department databases.

Methodology: Number is actual.

Purpose: The measure meets statutory requirements and program objectives.

4.1.1.5 Output

Definition: Measure represents the number of application-related instruments processed, including Compliance Status Reports, Land Use Restriction Agreements, and application site inspections.

Data Limitations: No limitations.

Data Source: The data is gathered by program from Department databases.

Methodology: Number is actual.

Purpose: The measure meets statutory and agency requirements.

4.1.2.1 Efficiency

Definition: The average cost to administer a contract includes the resources needed for effective contract management.

Data Limitations: No limitations.

Data Source: Expenditure data is maintained in the Department's automated information systems.

Methodology: The average cost is derived by dividing the total budgeted cost for contract administration activities by the number of contracts administered.

Purpose: The measure identifies the average cost to administer a contract.

4.1.2.1 Explanatory

Definition: The total number of contracts administered by PMC. This number represents the portfolio of contract responsibility, whether or not a contract is processed and/or monitored through desk or onsite reviews, or other contract administration activities depending on program requirements. Measure includes contracts for all activities, including Single Family Rehabilitation; Tenant Based Rental Assistance, Rental Housing Development, Down-Payment Assistance, and other types of contract activity.

Data Limitations: No limitations

Data Source: Data on contracts administered is maintained in the Department's database.

Methodology: Figure represents actual number of contracts administered.

Purpose: The measure provides the total number of active contracts administered.

4.1.2.1 Output

Definition: Measure represents the number of onsite reviews, desk reviews, and single audit reviews conducted as part of contract administration in PMC.

Data Limitations: No limitations.

Appendix D: List of Measure Definitions

Data Source: The data is gathered from Department data bases.

Methodology: Number is actual.

Purpose: The measure meets statutory and program requirements.

4.1.2.2 Output

Definition: The number of desk reviews conducted of Federal and State grant sub-recipients. Single Audits are required annually if the federally mandated expenditure threshold is exceeded as defined by OMB Circular A-133. OMB Circular A-133 defines which single audit reports must be submitted to the pass-through agency. These reports are used to measure overall and ongoing compliance with program requirements, financial accountability of Federal and State grants and the overall internal controls of the sub-recipient.

Data Limitations: No limitations.

Data Source: The data is gathered from Department data bases.

Methodology: Number is actual.

Purpose: The measure meets statutory and program requirements.

4.1.2.3 Output

Definition: Measure represents the number of desk reviews conducted as part of contract administration in PMC. This measure includes setup, draw, desk, environmental, quality control, re-certification, amendment, revision and other desk reviews.

Data Limitations: No limitations.

Data Source: The data is gathered by program from Department data bases.

Methodology: Number is actual.

Purpose: The measure meets statutory and program requirements.

4.1.2.4 Output

Definition: Measure represents the number of financial and programmatic onsite monitoring reviews and the number of technical assistance onsite reviews conducted as part of contract administration in PMC.

Data Limitations: No limitations.

Data Source: The data is gathered by program from Department databases.

Methodology: The number reported is the actual number of onsite reviews conducted.

Purpose: The measure meets program requirements.

4.1.2.5 Output

Definition: Measure represents the number of technical assistance calls, Open Records Requests, complaints and other public requests processed and the number of trainings conducted.

Data Limitations: No limitations.

Data Source: The data is gathered by program from Department data bases.

Methodology: Number is actual.

Purpose: The measure meets statutory and program objectives.

5.1.1.1 Efficiency

Definition: The average cost to the Department of the processing of an Statement of Ownership and Location (SOL) application based on total funds expended and encumbered during the reporting period for the issuance of manufactured housing SOLs. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel, postage, and other costs directly related to SOLs , including document review, handling, proofing, and notification.

Data Limitations: No limitations of data.

Data Source: The data is maintained in the USAS system.

Methodology: To obtain the average, divide the total funds by the total number of SOLs issued in a reporting period.

Purpose: The measure shows the efficiency in costs to issue a SOL.

5.1.1.1 Explanatory

Definition: The number of Manufactured Homes of record in Texas represents the total number of manufactured homes with an existing record in the official manufactured housing database that is maintained by the department.

Data Limitations: No limitations of data.

Data Source: Automated compilation through the Department's Tracking System.

Methodology: Actual number.

Purpose: The measure represents the total number of manufactured homes in Texas for which the Department has an ownership and location record.

5.1.1.1 Output

Definition: The total number of manufactured housing Statements of Ownership and Location (SOL) issued for which a fee is charged (includes SOLs issued as a result of changes in ownership, location, lien information, election, and use).

Data Limitations: No limitations.

Data Source: Data is computer generated (Department's Tracking System) reports and accounting receipts.

Methodology: Number is actual.

Purpose: This measure identifies the total number of SOLs issued in a reporting period. It is important because it shows the workload associated with issuing SOLs.

5.1.1.2 Output

Definition: The total number of manufactured housing licenses issued to qualifying applicants (applicant types broker, installer, manufacturer, retailer, retailer/broker, retailer/broker/installer, retailer/installer, salvage rebuilder and salespersons). The number calculated includes reprints of and revisions to existing licenses.

Data Limitations: No limitations.

Data Source: Data is computer generated through the Licensing Tracking System.

Methodology: Number is actual.

Purpose: This measure identifies the total number of licenses issued in a reporting period. It is important because it shows the workload associated with issuing licenses.

Appendix D: List of Measure Definitions

5.1.2.1 Efficiency

Definition: The average cost to the Department of each inspection based on the total funds expended and encumbered during the reporting period to conduct or attempt inspections, including both installation and non-routine inspections. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel; postage, and other costs directly related to the enforcement of the inspection function.

Data Limitations: No limitations.

Data Source: USAS, Installation Tracking System and Travel Database.

Methodology: To obtain the average, divide the total funds expended by the total number of routine and non-routine inspections (completed and/or attempted) within the reporting period.

Purpose: The measure identifies the cost efficiency to perform or attempt an inspection.

5.1.2.1 Explanatory

Definition: The total number of installation reports received within a reporting period. Installation reports are received from lenders, retailers, installers, consumers, and other sources.

Data Limitations: No limitations.

Data Source: Source: Installation Tracking System.

Methodology: Actual number.

Purpose: The measure provides information on the total number of installation reports received.

5.1.2.2 Explanatory

Definition: The total number of installation inspections with deviations documented. An inspector may list several violations on a single installation inspection, but it only accounts for one reported deviation.

Data Limitations: No limitations.

Data Source: Source: Installation Tracking System.

Methodology: Actual number.

Purpose: The measure provides information on the total number of installation inspections with deviations. The importance of this measure is to ensure that homes are installed in a safe manner to prevent injury to consumers and the general public.

5.1.2.1 Output

Definition: The total number of routine inspections conducted to inspect the anchoring and support systems of manufactured homes (includes reviewing installation report for completeness, inspecting stabilizing devices to confirm that the installer used approved materials, inspecting the home for proper installation, and verifying that the installer is licensed with TDHCA). Unsuccessful attempted inspections (identified as skirted, not accessible, unable to locate, or no unit at location) are not included in the number reported.

Data Limitations: No limitations.

Data Source: Collection of data is based on the Installation Tracking System.

Methodology: Number is actual.

Purpose: The measure identifies the total number of inspections performed (attempted inspections are not included) in a reporting period. It is important because it shows the workload for inspections.

5.1.2.2 Output

Definition: The total number of special/complex inspections performed upon request from the public, other regulated entities, or as part of a complaint investigation. Special inspections consist of, but are not limited to the following: consumer complaints, habitability, permanent foundations, SAA, and retailer monitoring.

Data Limitations: No limitations.

Data Source: Collection of data is based on the Inspector's Travel Voucher Database.

Methodology: The number is retrieved from the Travel Voucher Database by generating a report which lists the inspections conducted within the reporting period.

Purpose: The measure identifies the total number of inspections performed in a reporting period. It is important because it identifies inspections that result from unusual or special circumstances.

5.1.3.1 Efficiency

Definition: The average cost to the Department to resolve a complaint based on the total funds expended and encumbered during the reporting period for complaint processing, investigation, and resolution divided by the number of complaints resolved. Cost includes department overhead, salaries (permanent and temporary personnel), supplies, travel, postage, subpoena expenses, and other costs directly related to the agency's enforcement function.

Data Limitations: No limitations.

Data Source: Data is obtained from either a management report from the Department's Financial Administration Division or USAS, and the Consumer Complaint Tracking System.

Methodology: To obtain the average, divide the total funds expended by the total number of resolved complaints within the reporting period. Non-jurisdictional complaints (closed as DISJ) are not included in this measure.

Purpose: The measure identifies the efficiency in costs for resolving a complaint.

5.1.3.2 Efficiency

Definition: The average length of time to resolve a jurisdictional complaint, for jurisdictional complaints resolved during the reporting period. The number of days to reach a resolution is calculated from the initial date of receipt of a consumer complaint to the date closed.

Data Limitations: No limitations.

Data Source: CCTS.

Methodology: The total number of calendar days per jurisdictional complaint resolved, summed for all complaints resolved during the reporting period, that elapsed from receipt of a request for agency intervention to the date upon which final action on the complaint was taken (numerator) is, divided by the number of complaints resolved during the reporting

Appendix D: List of Measure Definitions

period (denominator). The calculation excludes complaints determined to be non-jurisdictional of the agency's statutory responsibilities.

Purpose: The measure tracks the average number of days spent to resolve a complaint. The measure is important because it shows how efficient the division has been in resolving complaints.

5.1.3.1 Explanatory

Definition: The total number of complaints received in a reporting period that are within the agency's jurisdiction of statutory responsibility.

Data Limitations: No limitations.

Data Source: The number is retrieved from the Consumer Complaint Tracking System.

Methodology: Actual number.

Purpose: The measure provides information on the total number of jurisdictional complaints. This measure is important to determine the division's workload.

5.1.3.1 Output

Definition: The total number of complaints resolved during the reporting period upon which final action was taken by the board or the Department through informal and formal means.

Non-jurisdictional complaints (closed as DISJ) are not included in this measure.

Data Limitations: No limitations.

Data Source: Data is maintained in the Consumer Complaint Tracking System.

Methodology: Actual number.

Purpose: The measure shows the workload associated with resolving complaints. The measure is important because it also identifies consumer problems.

APPENDIX E. IMPLEMENTING THE TEXAS TRANSFORMATION

Managed Service Delivery

1. Has the agency considered use of managed services in order to focus more on its business needs?

1. Yes, in the last quarter of FY 2008, TDHCA plans to post an RFO for a hosted employee performance management system that would be completely maintained and supported by a vendor. Additionally, the Mitas Automated Accounting and Loan Servicing System is currently a managed service from an application support standpoint, and TDHCA is considering moving to a hosted solution so that the server environment would also be managed by the vendor. Finally, ACS contracts with TDHCA to manage a large portion of the Community Development Block Grant Disaster Recovery program, and the vendor is responsible for the information systems that support the parts of the program they manage.

Managed IT Supply Chain

2. Does the agency leverage and obtain additional value from the Information and Communications Technology (ICT) Cooperative Contracts program; for example, by further negotiating not-to-exceed pricing?

2. Yes, TDHCA utilizes the ICT Cooperative Contracts program for IT purchases whenever the product or service is available (which is almost all cases). For example, all contract programmers from FY 2005 forward have been hired using DIR's IT Staffing Services.

Security and Privacy

3. Describe the agency's strategies to align with the State Enterprise Security Plan (<http://www.dir.state.tx.us/pubs/securityplan2007/index.htm>).

3. Strategies that are currently in place to align with the State Enterprise Security Plan include the following:

- Use DIR's security testing services once per year.
- Use and maintain network security hardware and software to prevent intrusions.
- Maintain security policies and distribute them to users of agency systems.
- Report major incidents to DIR immediately and minor incidents through the monthly reporting process.
- Follow a structured account management process.

In June 2008, TDHCA will begin an IT security project which will result in improved policies and practices and new strategies such as a better security risk assessment process, intrusion detection, and portable device security.

4. Describe the agency's policies, practices and programs, implemented or planned, that comply with relevant statutes and administrative rules to ensure the privacy of confidential data. Consider federal privacy requirements (e.g., the Health Insurance Portability and Accountability Act or the Family Educational Rights and Privacy Act) that apply to the agency. List the organizational units (program, offices, IT, legal, etc.) that manage privacy functions. Describe any future plans for improvement.

4. The information maintained by TDHCA that has confidential elements includes some financial data and some household data for subrecipients of funds and program participants. The Department does not maintain medical data or student information. TDHCA addresses privacy through a combination of policies and procedures. Policies include a series of internal security-related SOPs, an IT security policy for vendors who maintain personally identifiable information of agency program participants, and IT security guidance documents for subrecipients of community services and energy assistance program funds. Procedures involve account management and access rights on each system with confidential data, the use of digital signatures and encryption in file transfers such as those between TDHCA and Texas Online and the Office of the Comptroller of Public Accounts, and network security at the router and firewall level.

In June 2008, TDHCA will begin an IT security project which will result in improved policies and practices and new strategies such as a better security risk assessment process, intrusion detection, and portable device security.

Technology Policy, Best Practices, and Partnerships

5. What current practices or plans are in place to improve usability and searchability of the agency's Web content? (2007 SSP, Strategy 4 1)

5. TDHCA is currently engaged in a Web site redesign project. The main goal of the project is to provide visitors with easier access to information by asking them to select their customer type. Additionally, the Web site currently includes a search engine.

6. What current practices or plans are in place to improve life cycle management of agency data and information? Include the agency's approach and ability to meet future open records and e-discovery requests. (2007 SSP, Strategy 4-1)

6. TDHCA's Records Management SOP contains agency policies and procedures for both hard copy and electronic records. The SOP defines records management terminology as well as storage, retrieval, and disposition policies. The Department's Records Retention Schedule (referenced in the SOP) defines the life cycle of each record and indicates whether the copy of record is in hard copy or electronic format.

TDHCA's approach to meeting open records and e-discovery requests is defined in the Department's Public Information Request (PIR) SOP. Some of the procedures related to PIRs include 1) logging and tracking the status of the request in the TDHCA's PIR System, 2) consulting the Legal Division and Office of the Attorney General as needed, 3) checking

the Records Retention Schedule, 4) determining what information systems or paper files would be involved in responding to the request, 5) estimating costs, and 6) responding to the requestor within ten days of the request.

7. Describe agency methods and standards (federal, state, industry), implemented or planned, intended to enhance data sharing (i.e., improve interoperability) with other entities. (2007 SSP, Strategy 4-2)

7. TDHCA follows Office of the Comptroller of Public Accounts data sharing standards for exchanging financial information associated with contracts for the Community Development Block Grant Disaster Recovery, Community Services Block Grant, Comprehensive Energy Assistance Program, Emergency Shelters Grant Program, HOME, Housing Trust Fund, and Weatherization Assistance Program contracts. The Department follows Texas Online data sharing standards for exchanging Manufactured Housing license renewal payments and related information.

Core Missions

8. Does the agency have any plans to simplify or reduce the number of existing software platforms (e.g., operating systems, application development environments, database systems, office suites, other COTS applications)? If no, is the agency fully leveraging its technology to support both its current and future business environment?

8. Yes, TDHCA plans to reduce the number of operating system platforms in FY 2009, 2010, and 2011. The Department currently supports multiple desktop operating systems. In FY 2009, most desktop operating systems will be migrated to one platform. Additionally, application and network utility servers currently run on a mix of Windows Server (three versions), Solaris, Linux, and FreeBSD operating systems. TDHCA plans to eliminate some of these server platforms by FY 2011.

9. Describe any current or planned activities targeted at reducing the environmental resource consumption of technology equipment (recycling, consolidating, virtualizing, buying energy efficient equipment, etc.).

9. TDHCA plans to evaluate server virtualization options in FY 2009 with a goal of reducing the number of servers in use in future fiscal years.

APPENDIX F. WORKFORCE PLAN

INTRODUCTION

Each state agency is required to conduct a strategic planning staffing analysis and develop a workforce plan that follows guidelines developed by the State Auditor. This workforce plan addresses the agency's critical staffing and training needs, including the need for experienced employees to impart knowledge to their potential successors pursuant to Section 2056.002, Government Code.

AGENCY OVERVIEW

This section describes the mission, strategic goals, objectives, and business functions of the agency. Potential changes to these items over the next five years is also discussed.

TDHCA Mission

To help Texans achieve an improved quality of life through the development of better communities.

TDHCA Philosophy

Customers

- **Advocacy:** The Department will actively encourage, support, and promote an improved quality of life for extremely low, very low, low, and moderate income Texans.
- **Service:** The Department will be responsive to every constituent request and provide every customer with prompt, courteous service.
- **Partnership:** The Department will foster an atmosphere that is conducive to encouraging and forming public and private partnerships that are responsive to the needs of extremely low, very low, low, and moderate income Texans.
- **Equity:** The Department will establish processes for the public's full participation in programs and the fair allocation of resources.
- **Respect:** The Department believes in the worth of all persons and their need for decent, safe, and affordable housing.

Operations

- **Integrity:** The Department will conduct business openly, free of bias, and according to the highest ethical and professional standards.
- **Accountability:** The Department will be answerable and responsive to the Texas Legislature, external customers/consumers, and its various funding sources.
- **Efficiency:** The work of the Department will be accomplished in the most direct, cost-effective manner.
- **Leveraging:** Each program will encourage public and private sector participation and the use of additional resources to maximize economic impact.
- **Diversity:** The Department recognizes the need for a diverse working environment. The Department will strive to continue to recruit and retain a diverse workforce to reflect the diversity of Texas.

Staff

- **Quality:** Department staff will be committed in providing extraordinary services to it's customers and employees in the work they perform.
- **Creativity:** Department staff will continually seek innovative methods for performing work in their respective fields.
- **Respect:** The Department recognizes that its employees are the critical element in accomplishing its mission and goals. Therefore, it pledges to support their continued professional development and provide opportunities for reward based on their performance. In doing so, it also pledges to promote a collaborative and positive work environment for all employees.

TDHCA's Goals, Objectives, and Strategies to Fulfill its Mission

Goal 1.

To increase and preserve the availability of safe, decent, and affordable housing for very low, low, and moderate income persons and families.

Objective 1. Make loans, grants, and incentives available to fund eligible housing activities and preserve/create single and multifamily units for very low, low, and moderate income households.

Strategy 1. Provide federal mortgage loans, through the department's Mortgage Revenue Bond (MRB) Program, which are below the conventional market interest rates to very low, low, and moderate income homebuyers.

Strategy 2. Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of single family housing in rural areas of the state through partnerships with the private sector.

Strategy 3. Provide state housing loans and grants through the HTF for very low and low income households.

Strategy 4. Provide federal rental assistance through Section 8 certificates and vouchers for very low income households.

Strategy 5. Provide federal tax credits to develop rental housing for very low and low income households.

Strategy 6. Provide federal housing loans and grants through the HOME Investment Partnership (HOME) Program for very low and low income families, focusing on the construction of multifamily housing units in rural areas of the state through partnerships the private sector.

Strategy 7. Provide state housing loans and grants through the HTF for very low and low income households.

Strategy 8. Provide federal mortgage loans through the department's Mortgage Revenue Bond (MRB) program for the acquisition, restoration, construction and preservation of multifamily rental units for very low, low and moderate income families.

Goal 2. Promote improved housing conditions for extremely LI, VLI, and low income households by providing information and technical assistance.

Objective 1. Provide information and technical assistance regarding affordable housing resources and community support services.

Strategy 1. Provide information and technical assistance to the public through the Center for Housing Research, Planning, and Communications.

Objective 2. Promote and enhance homeownership opportunities along with the development of safe neighborhoods and effective community services for colonia residents and/or residents of LI, VLI, and ELI along the Texas-Mexico border.

Strategy 1. Provide technical assistance to colonias through field offices.

Goal 3.

Improve living conditions for the poor and homeless and reduce cost of home energy for very low income Texans.

Objective 1. To ease hardships of poverty and homelessness for 16 percent of the population of very low income persons each year.

Strategy 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.

Objective 2. To reduce cost of home energy for 6 percent of very low income households each year at or below 125 percent of poverty

Strategy 1. Administer state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low income persons and general assistance to very low income households for heating and cooling expenses and energy-related emergencies.

Goal 4. Ensure compliance with Department of Housing and Community Affairs federal and state program mandates.

Objective 1. Administer and monitor housing developments and subrecipient contracts to determine compliance with federal and state program requirements.

Strategy 1. Monitor and inspect for federal and state housing program requirements.

Strategy 2. Administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Goal 5. Protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

Objective 1. Operate a regulatory system to ensure responsive handling of Statement of Ownership and Location and license applications, inspection reports, and complaints as follows: 25 percent installation inspections; 97 percent of applications within established timeframes; and 99 percent of consumer complaint inspections within 30 calendar days of a request.

Strategy 1. Provide services for Statement of Ownership and Location and licensing in a timely and efficient manner.

Strategy 2. Conduct inspections of manufactured homes in a timely and efficient manner.

Strategy 3. Process consumer complaints, conduct investigations, and take administrative actions to protect general public and consumers.

Strategy 4. Provide for the processing of occupational licenses, registrations, or permit fees through TexasOnline.

Core Business Functions

TDHCA business functions can be broadly grouped into three categories: providing housing and community services assistance, regulating the manufactured housing industry, serving as an informational resource. To ensure the success of the Department's efforts in these areas, a variety of supporting functions are required. These support areas include financial administration, human resources, information systems, portfolio management and compliance, policy and public affairs, purchasing, and real estate analysis.

Housing and Community Services Assistance

Types of housing and community services assistance include:

- housing assistance for individual households (homebuyer mortgage and down payment, home repair, and rental payment assistance);
- funding for the development of apartments (new construction or rehabilitation of rental units);
- energy assistance (utility payments or home weatherization activities);
- assistance for homeless persons and emergency relief for individuals or families in crisis poverty (transitional housing, energy assistance, home weatherization, health and human services, child care, nutrition, job training and employment services, substance abuse counseling, medical services, and other emergency assistance); and
- capacity building assistance (training and technical assistance, assistance with operating costs, and predevelopment loans to help local housing organizations develop housing).

Manufactured Housing Activities

TDHCA's Manufactured Housing Division is an independent entity within TDHCA. It is administratively attached, but it has its own Board of Directors. This division administers the Texas Manufactured Housing Standards Act. The act ensures that manufactured homes are well-constructed, safe, and installed correctly; that consumers are provided fair and effective remedies; and that measures are taken to provide economic stability for the Texas manufactured housing industry. Services of the Manufactured Housing Division include issuances of SOL research; training and license issuances to individuals for manufactured housing manufacturing, retailing, rebuilding, installations, broker, or sales; records and releases on tax and mortgage liens; installation inspections; consumer complaints; and federal oversight under a cooperative agreement with HUD.

Information Resources

TDHCA is an informational resource for individuals, federal, state, and local governments, the Legislature, community organizations, advocacy groups, housing developers, and supportive services providers. Examples of information provided includes: general information on TDHCA activities, application and implementation technical assistance, housing need data and analysis, and direct consumer information on available assistance statewide. This information is provided through a myriad of communication methods: a 1-800 phone line, publications and guidebooks, via email and the TDHCA website, public hearings, trainings and workshops, planning roundtables, field offices, mass mailings, television, radio, and print media, speaking engagements, and conferences.

In all of its activities, 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.

Anticipated Changes to the Mission, Strategies, and Goals over the Next Five Years

The Department does not anticipate any significant changes of the mission, strategies and goals over the next five years.

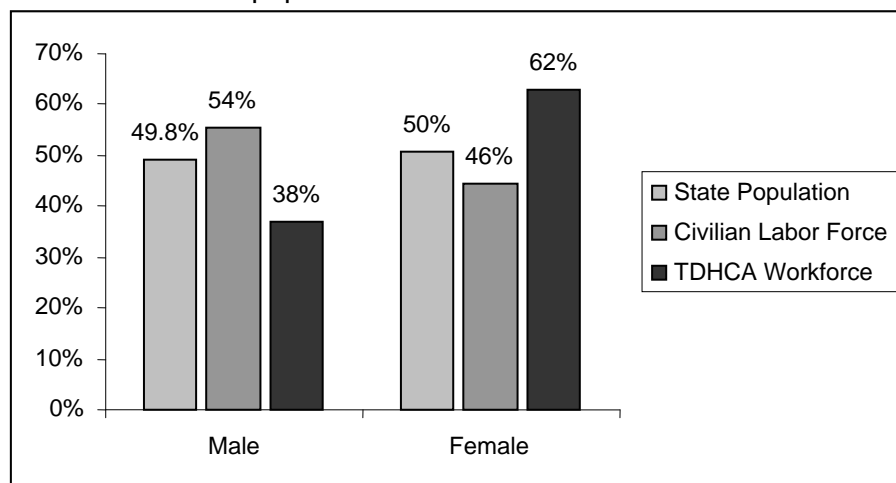
CURRENT WORKFORCE PROFILE (SUPPLY ANALYSIS)

This section describes the agency’s current workforce by assessing whether current employees have the knowledge, skills, and abilities needed to address critical business issues in the future.

Demographic Information

As of May 1, 2008, TDHCA had a total headcount of 285 employees. The agency is authorized to have 298 total full-time equivalents (FTEs). Additionally, TDHCA was allocated funds for the CDBG disaster recovery program as part of the disaster relief efforts after Hurricane Rita. There are 12 FTEs that are budgeted for this program currently. Out of the 285 employees there are 10 FTEs allocated as part of the CDBG disaster recovery relief program. These FTEs are not counted as part of the FTE cap per Article IX under “federally funded” rule but are included in the FTE count for EEO reporting purposes. These FTEs are considered temporary positions and will be part of TDHCA for at least the next biennium or until federal disaster funds are expended.

The following charts profile TDHCA’s workforce and include both full-time and part-time employees. The TDHCA workforce is comprised of 38 percent males and 62 percent females. As shown in the table below, the TDHCA workforce has a higher representation of female workers than the state population and civilian workforce.



Workforce by Age

Approximately 62 percent of TDHCA’s workforce is over the age of 40. This indicates that the workforce has a good level of overall work experience. TDHCA continues to be successful in the recruitment and retention of employees in this age group. The average age of TDHCA employees is 44.

Employee Tenure

Approximately 46 percent of TDHCA employees have less than 5 years of TDHCA service, 25 percent with 6-10 years of experience, 23 percent with 11-15 years of experience, and 6.3 percent with more than 15 years experience. The average number of years of service for Department employees is 11 years. TDHCA continually strives to ensure that employees are appropriately compensated; to improve internal communications through a variety of venues, to promote training and career development; and coordinate employee service recognition activities to motivate employees and to improve employee retention.

Age			Employee Tenure		
Age Group	Population	Percentage	Tenure Range	# of Employees	% of Total
Under 30	21	7.4%	<1 year	35	12.3%
30-39	87	31%	1 – 5	97	34%
40-49	84	29.4%	6 – 10	71	25%
50 – 59	77	27%	11 – 15	66	23%
60 and over	16	5.6%	16 – 20	11	3.9%
Total	285		21 – 25	3	1.1%
As of April 30, 2008			26 – 30	2	07%
			30 +	-	-
			Totals	285	100%
			As of April 30, 2008		

TDHCA’s Workforce Compared with the Statewide Civilian Workforce

The tables and charts below compare the percentage of African American, Hispanic, and Female TDHCA employees (as of April 30, 2008) to the statewide civilian workforce as reported by the Texas Workforce Commission Civil Rights Division. Overall, the race and ethnic composition of the TDHCA workforce is very diverse and exceeds the state percentages.

However, there are four areas where TDHCA’s Equal Employment Opportunity (EEO) employment percentages are less than the state’s percentages:

- Female Technicians (The presence of under-representation in this category is thought to be caused in large part by the small number of employees in this category).
- Female-Official/Administration (This category shows a slight under-representation, less than one percent, for females as compared to the state).
- African American-Official Administration
- African-American Technicians

Appendix F: Workforce Plan

TDHCA targets recruitment resources that reach out to the workforce in the under-represented categories so that the applicant pool represents the ethnicity and gender to meet EEO goals of the state.

Description of TDHCA Workforce by Ethnicity and Gender

Equal Employment Opportunities (EEO) Categories*	African American		Hispanic		White		Other		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
A - Administrators and Officials	-	-	3		9	7	-	-	12	7
P - Professionals	7	22	19	54	31	56	1	6	58	138
T - Technician	3	-	8	2	21	5	-	-	32	7
Q - Para-professionals	1	4	-	6	-	3	-	-	1	13
C - Administrative Support	2	3	0	6	3	2	-	-	5	12
Total by Race/Ethnicity & Gender	13	29	30	68	64	74	1	6	108	177
% of Total by Race/Ethnicity & Gender	5%	10%	11%	24%	29%	26%	.4%	2%	38%	62%
Total by Race/Ethnicity	42		98		138		7		285	
% of Total by Race/Ethnicity	15%		34%		48%		2%			

A – Administrators and Officials: directors, employees establishing broad policy and exercising responsibility for execution of those policies.

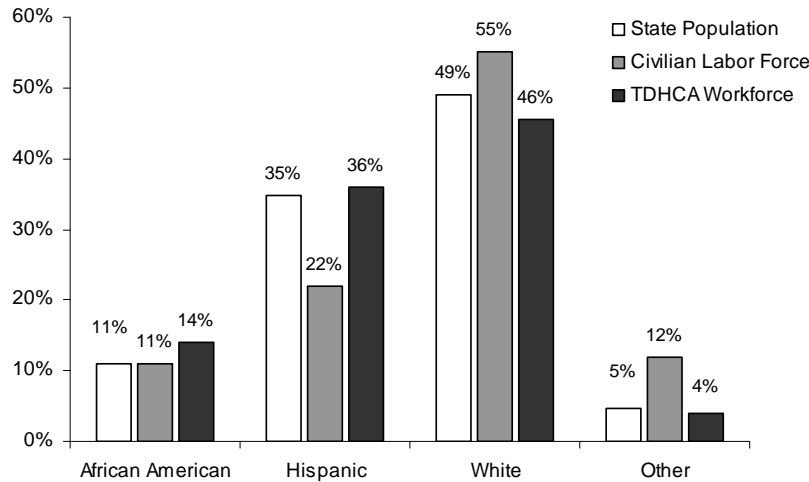
P – Professionals: accountants: systems analysts, attorneys, occupations requiring specialized training or education.

T – Technician: computer technicians, occupations requiring basic scientific or technical knowledge.

Q – Para-professionals: persons performing some of the duties of professionals in a supportive role.

C – Administrative Support: these include clerical payroll clerks, legal assistants, office machine operators, statistical clerks, and bookkeepers.

Comparison of TDHCA Workforce by Race/Ethnicity to State Population and Civilian Workforce



Source: US Census, 2006 American Community Survey; TDHCA Human Resources Data; Uniform Statewide Payroll System (2008 data); and Bureau of Labor Statistics (2004)

TDHCA’s workforce is in close correlation to the State population by race and ethnicity.

Comparison of TDHCA EEO and Statewide Employment Statistics

Job Category	% African American		% Hispanic		% Females	
	TDHCA	State	TDHCA	State	TDHCA	State
Officials/Administrators	-	6.6%	16%	14.2%	37%	37.3%
Professionals	15%	8.3%	37.2%	13.4%	70.4%	53.2%
Technicians	7.6%	12.4%	25.6%	20.2%	17.9%	53.8%
Para-Professionals	35.7%	13.8%	42.8%	40.70%	92.8%	39%
Administrative Support	29.4%	11.2%	35.2%	24.10%	70.5%	64.7%

Source: TDHCA Human Resources Data and Bureau of Labor Statistics, Geographic Profile, 2004 for the state of Texas.

Agency Turnover

Percent of Workforce Eligible to Retire

Of the current 285 employees, there are 17 employees or 6 percent who are currently eligible to retire under the “Rule of Eighty”. Ten of these employees are from the Manufactured Housing Division and all of these employees work in the field offices as Inspectors. Within the next biennium there will be 11 employees eligible to retire under the “Rule of Eighty”. This will be a total of 10 percent employees eligible for retirement.

Of the current 285 employees there will be 8 employees or 3 percent that will be eligible to retire as a result of reaching the age of sixty with five years of service in the next biennium.

Source: Comptroller’s Office of Public Accountants

It should be noted that TDHCA currently has six retiree rehires. Management is aware of the impact they will have on the loss of knowledge and skill base and is continually looking at methods to replace this knowledge through:

- Employee Development
- Mentoring Program
- Cross divisional training

Projected Employee Turnover Rate over the Next Five Years

In FY2007 the turnover rate for TDHCA was at its lowest point in comparison to the previous turnover rates. As shown by the chart below, TDHCA's turnover rates have historically been under the state turnover rates and have fluctuated.

Historical Employee Turnover Rate

Entity	FY2003	FY2004	FY2005	FY2006	FY2007
Statewide Turnover	18.2%	42.1%	19.1%	17.9%	19.2%
TDHCA Turnover	16.6%	13.4%	15%	12.5%	8.6%

Source: SAO E-Class as of 4/21/08. Turnover rates include interagency transfers.

Workforce Skills Critical to the Mission and Goals of the Agency

Due to the complexity and shear volume of regulations associated with the many funding programs the Department oversees, a depth of experience and skills are critical to accomplish the mission and goals of the Department that include:

- Mortgage and loan management
- Environmental science
- Underwriting
- Asset Management

Other critical skills the Department's workforce needs in order to effectively accomplish its business functions and provide a high level of customer service include:

- Leadership and management skills
- Analysis/research/planning/problem solving
- Financial management, financial analysis, and accounting expertise
- Knowledge of the legislative system
- Knowledge of the housing market industry
- Mentoring and coaching
- Marketing
- Multi-lingual
- Outreach and technical assistance
- Computer skills ranging from entry level data entry to highly skilled information systems programmers
- Customer service skills

- Investigative/inspection related knowledge
- Sophisticated oral and written communication skills
- Legal analysis

Use of Consultants

To effectively achieve its mission, TDHCA will continue to use consultants and contract workers in areas where their unique skills and experience represents the most effective use of the State's resources. Two divisions that expect the greatest ongoing use of consultants are IS, and Bond Finance.

ISD

TDHCA's Information Systems Division makes limited, targeted use of consultants for approved capital budget projects and software development support. In the current biennium, the Department has employed one contract developer to assist in the support of PeopleSoft Financials 8.8 and two contract developers to help support the Community Affairs Contract System and the Community Development Block Grant module of the Housing Contract System. Additionally, the Department plans to utilize two contract developers for the Manufactured Housing Systems Upgrade, an FY 2008-2009 capital budget project. Consultants are used for projects and support in cases where specialized skills or additional staffing are needed for a specific timeframe.

Bond Finance

Bond Finance uses the following types of consultants:

- Bond Counsel – A nationally recognized law firm or firms experienced in the issuance of mortgage revenue bonds.
- Financial Advisor – Typically an investment banking firm experienced in issuance of mortgage revenue bonds.
- Master Servicer/Administrator – A financially sound bank or trust company experienced in tax compliance review and loan servicing for tax-exempt single family mortgage revenue bond programs.
- Disclosure Counsel – A law firm experienced in securities laws particularly as it relates to disclosure of information by securities issuers to the private markets.
- Rating Agencies – A national rating agency which analyzes bond issues and assigns a rating to them to indicate to prospective bondholders the investment quality of the issue.
- Interest Rate Swap Advisor – Primarily monitors interest rate swaps used to hedge single family mortgage revenue bonds.
- Guaranteed Investment Contract Broker – Provides reinvestment services for single family mortgage revenue bond issues, single family commercial paper issues, and/or multifamily mortgage revenue bond issues.

FUTURE WORKFORCE PROFILE (DEMAND ANALYSIS)

This section describes the Department's future business and staffing outlook. This analysis helps to identify trends, future influences, and challenges for the agency's business functions, new and at-risk business, and workforce composition.

Expected Workforce Changes Driven by Factors such as Changing Missions, Goals, Strategies, Technology, Work, Workloads, and Work Processes

A. Expected Workforce Changes

- Increase in workload of Uniform Physical Condition Inspections of multifamily housing units
- Increase in workload of compliance monitoring of multifamily housing units
- Retirement of employees with significant institutional knowledge and expertise
- Increased emphasis on technology upgrades to better serve the Department and its customers
- Increased diversity in employee background, characteristics, and demographics
- Decrease in the CDBG disaster recovery staff as funds are expended
- Difficulty in attracting and retaining qualified applicants for certain positions that are impacted by the compensation compare to the private sector

Future Workforce Skills Needed

In addition to those skills described above in the "Workforce Skills Critical to the Mission and Goals of the Agency" section it is expected that the following skills will also be needed:

- Recruitment of multilingual employees to assist customers, translate documents, provide assistance at public hearings, conduct roundtables and gather public comment.
- As the Department continues to use technology to provide services to the Department and customers this will require advanced computer skills in systems design and analysis, web design and development, and the willingness to learn how to use more advanced technology systems.
- The PMC Division will need skilled inspectors to conduct multifamily housing units.
- Because of the projected retirement of employees within the next biennium the Department will need to recruit for highly skilled and experienced employees.

Anticipated Increase or Decrease in the Number of Employees Needed to Do the Work

It is anticipated that at least 4 additional FTEs will be needed to perform the work in the portfolio management and physical inspections unit within the PMC Division. Other workforce demands will be addressed with the current FTEs allocated to the Department. The Department does not expect a decrease in FTE's and any change in increased work loads will be addressed through streamlining of process and optimum use of technology.

Anticipated Use of Consultants

It is anticipated that the IS and Bond Finance divisions will continue to use consultants to complete their ongoing work in the roles above described in the Current Workforce profile section.

GAP ANALYSIS

Anticipated surplus or shortage of employees

Based on the workforce analysis it is anticipated there will be a shortage of institutional knowledge, skills and experience due to projected retirements. It is also anticipated that there may be a shortage of skilled inspectors for the Manufactured Housing Division based on the projected retirements for the field offices. The Manufactured Housing Division will need to determine how to fill Field Inspector positions and Field Management positions. The Department does not anticipate a surplus of employees.

Anticipated surplus or shortage of skills

Due to the changing workforce of the Department it is anticipated that there may be a shortage of the following skills:

- Employees with valued institutional knowledge, program knowledge, expertise, and experience
- IS staff with advanced technological skills and the ability to identify changing needs of the technology for the Department.
- Key management positions with the knowledge and skills to carry out the mission, goals and objectives of the Department
- Employees with skills to manage and work with a diverse and multi-generational working environment

STRATEGY DEVELOPMENT

This section describes strategies for workforce transition.

Specific Goals to Address Workforce Competency Gaps or Surpluses

To plan for TDHCA’s future workforce needs, the following goals have been developed.

Gap	Retention of institutional knowledge, program knowledge, expertise and experience
Goal	To retain a workforce of institutional knowledge, program knowledge, expertise, and experience
Rationale	<ul style="list-style-type: none"> • There are 11 employees eligible to retiree that are within the

Appendix F: Workforce Plan

	<p>Manufactured Housing Division and have extensive knowledge and skills as Inspectors</p> <ul style="list-style-type: none"> • Transferring the knowledge of employees who are eligible to retire is critical to developing a skilled and experienced workforce • To develop and train staff to fill positions through attrition • To maintain a workforce that can carry out the mission, goals and objectives of the Department
Action Steps	<ul style="list-style-type: none"> • Work with senior management to identify key positions in their divisions and determine critical competencies and skills needed for those positions and how senior management will develop or recruit for these positions • Provide employee training to develop critical skills needed • Encourage management to provide employees who are seeking new challenges with opportunities for cross/rotational training • Implement the approved Mentoring Program • Encourage experienced employees to participate in the mentoring program • Encourage management to create training and development plans to increase competency in those employees that have demonstrated the potential and interest to assume higher level positions as vacancies occur • Establish recruitment resources that market specific to the housing industry to gain a diverse pool of applicants • Work with senior management to fill critical positions quickly • Continue to conduct the Organizational Excellence Survey to determine trends in employee satisfaction and address areas or trends that could be affecting employee turnover • Provide diversity training for Department staff periodically • Provide staff with flextime, telecommuting and other avenues to balance work and family needs.

Gap	IS staff with advanced technology skills
Goal	To provide the Department with technology that will increase efficiency of information for customers and staff, increase customer satisfaction, and provided streamlining of technology based programs
Rationale	<ul style="list-style-type: none"> • Training is needed to stay current with emerging technology

	There are increased requests for changes to IT systems to better serve our customers and staff
Action Steps	<ul style="list-style-type: none"> • Continue to develop IT staff • Determine anticipated changes needed to systems and allow for training and staff development of new technologies • Cross functional training of IT staff • Develop plans for future needs of the Department web-based programs

Gap	Key management positions with the knowledge and skills to carry out the mission, goals and objectives of the Department
Goal	Develop a succession plan to identify key management positions and develop an applicant pool of potential candidates to fill these management positions
Rationale	Management in key positions is essential to carry out the goals and mission of the Department without interruption to the program areas
Action Steps	<ul style="list-style-type: none"> • Encourage employees currently in a Team Leader, Project Manager and Manager positions to attend training to increase leadership and management skills. • Promote employees when opportunities present themselves. • Conduct 360 surveys of management staff to identify gaps in leadership skills and focus on improving those skills • Identify key skills needed for key management positions and provide training opportunities, rotational/cross functional training <p>Encourage management to mentor employee with the potential and desire for leadership roles</p>

Gap	Employees with skills to manage and work with a diverse and multi-generational working environment
Goal	Ability to manage and lead a diverse workforce and continue to carry out the mission and goals of the Department
Rationale	As the workforce continues to change there is an increase in multi-generational and diverse backgrounds entering the workforce. Employees will need to be able to work with and manage people with differing opinions and work ethics and continue to recruit and retain employees
Action Steps	<ul style="list-style-type: none"> • Provide multi-generational training to employees and how to work as a team with differing views.

Appendix F: Workforce Plan

	<ul style="list-style-type: none">• Conduct team building retreats• Continue to celebrate multi-cultural events at the Department to promote diversity and an opportunity for staff to participate in these events
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APPENDIX G. SURVEY OF ORGANIZATIONAL EXCELLENCE
RESULTS AND UTILIZATION PLANS

Employees' Attitudes and Possibilities for Change

In February of 2008, TDHCA participated in the Survey of Organizational Excellence sponsored by the University of Texas with a response rate of 85 percent. This survey forms the basis of the following observations concerning TDHCA's strengths and weaknesses according to the employees of the Department:

In reviewing the following sections, the following scoring categorizations are useful:

- Scores of 400 or higher indicate areas of substantial strength.
- Scores above 300 indicate employees perceive the issue more positively than negatively.
- Scores below 300 indicate employees perceive the issue more negatively than positively.
- Scores below 200 indicate areas of concern for the Department. They should receive immediate attention. No items in the TDHCA survey scored below the 200 range.

In comparison to the 2005 Survey of Organizational Excellence the Department scores improved. The chart below shows the comparison of scores for 2005 versus 2008. All the scores increased in 2008 with the exception of one score that remained the same.

Score Legend

◆	5 highest scores
◇	5 lowest scores

CONS#	CONSTRUCT NAME	SCORE 2005	SCORE 2008	POINTS DEVIATED
1	Supervisor Effectiveness	◇ 330	◇ 348	+18
2	Fairness	343	362	+19
3	Team Effectiveness	◇ 327	◇ 345	+18
4	Diversity	342	364	+22
5	Fair Pay	◇ 274	◇ 302	+28
6	Physical Environment	◆ 377	◆ 377	Same
7	Benefits	359	373	+14
8	Employment Development	352	◆ 377	+25
9	Change Oriented	◇ 334	◇ 348	+14
10	Goal Oriented	346	362	+16
11	Holographic	343	353	+10
12	Strategic	◆ 384	◆ 386	+2
13	Quality	◆ 375	◆ 388	+13
14	Internal	◇ 326	◇ 333	+7
15	Availability	◆ 369	373	+4
16	External	◆ 373	◆ 376	+3
17	Job Satisfaction	362	367	+5
18	Time and Stress	356	368	+12
19	Burnout	358	368	+10
20	Empowerment	351	362	+11

Areas of Strength

The Department's strengths lie in the perception employees have according to the following: Quality, Strategic, Physical Environment, Employee Development, and External. They are discussed below in the order of scores received, from highest to lowest.

- **Quality (388):** Describes the degree to which the quality principles, such as customer service and continuous improvement are a part of the organizational culture.
- **Strategic (386):** This reflects employees' thinking about how the Department's Strategic Orientation culture responds to external influences that should play a role in defining the mission, vision, services and products. This implies the ability of the Department to seek out and work with relevant external entities.
- **Physical Environment (377):** Describes the employees' perceptions of the total work atmosphere and the degree to which employees believe it is a "safe" working environment. This category addresses the "feel" of the workplace as perceived by the employee.

Note: The surveying effort occurred after the Department's move to a new building with substantially different working environment and parking situation.

- **Employee Development: (377)** This category is an assessment of the priority given to employee's personal and job growth. It provides insight into whether the culture of the organization sees human resources as the most important resource or as one of many resources. It directly addresses the degree to which the organization is seeking to maximize gains from investment in employees.
- **External (376):** This category looks at how information flows into the Department from external sources, and conversely, how information flows from inside the organization to external constituents. It addresses the ability of Department staff to synthesize and apply external information to work performed by the Department.

Areas of Concern

Areas where TDHCA did not score as high were Fair Pay, Internal Communication, Team Effectiveness, Supervisor Effectiveness, and Change Orientation issues as described below from lowest score to highest scores. While Fair Pay is the lowest score, it is still viewed as more positive than negative.

- **Fair Pay (302):** Fair Pay is a common negative perception across most, if not all, state agencies. This category addresses perceptions of the overall compensation package offered by the Department. It describes how well the compensation package "holds up" when employees compare it to similar jobs in other organizations.
- **Internal (333):** This captures the flow of communication within the Department from the top down, bottom up, and across divisions. It addresses the extent to which communication exchanges are open and candid and move the Department toward goal achievement.
- **Team Effectiveness (345):** This describes employees' perceptions of the people within the Department with whom they work on a daily basis to accomplish their jobs (the work group or team). Also, it gathers data about how effective employees think their work

group is as well as the extent to which the Department's environment supports cooperation among employees.

- **Supervisor Effectiveness (348):** This category provides insight into the nature of supervisory relationships in the Department, including the quality of communications, leadership, thoroughness, and fairness that employees perceive exists between supervisors and them. This category helps organizational leaders determine the extent to which supervisory relationships are a positive element of the organization.
- **Change Oriented (348):** This category describes employees' perceptions of the Department's capability and readiness to change based on new information and ideas. It also addresses the Department's aptitude to process information timely and to act upon it effectively. Most importantly, it also examines the organization's capacity to draw upon, develop, and utilize the strengths of all in the Department for improvement.

Strategies for Improvement

The Department will continue to capitalize on the information derived from the 2008 Survey of Organizational Excellence.

Improving Areas of Concern

- **Fair Pay:** While Fair Pay continues to be the lowest scoring category for the Department this category has improved based on the last survey score. There have been many ways the Department has addressed fair pay to include:
 - Review of all pay actions for equity among similar positions.
 - Providing each Division Director with equity reports for the division and an equity report for Department positions.
 - A Department-wide classification audit was conducted by the State Auditor's Office to determine misclassifications for the Department. There were only 8 positions that needed to be reclassified as part of this audit. The Department requires that employee classifications be reviewed during each employee annual performance review to ensure that position classifications are appropriate.
 - The Department participated in a National Housing Organization Compensation Survey. This survey allows the Department to review salaries of other similar positions in comparison to Department salaries.

Enhancing Strengths

- The Department is committed to instilling a culture of diversity, transparency, professionalism, and integrity. The Department will continue to analyze organizational development through review of program organizational structure to ensure that processes and program goals and objectives are being met with the most streamlined measures and are functioning effectively and efficiently.
- The Department will continue to have open communications with staff and will promote an environment that allows employees to improve their skills and abilities through continuing education, external training, in-house training, and other training resources as needed.

APPENDIX H. HISTORICALLY UNDERUTILIZED BUSINESS PLAN

GOAL

The Texas Department of Housing and Community Affairs strives to provide procurement and contracting opportunities for all businesses, with efforts to maximize inclusion of minority and women owned businesses.

OBJECTIVE

The Department shall make a good faith effort to maximize the award of goods and services to HUBs in all facets of contracting, subcontracting, and purchases. Through all reasonable means, the Department strives to award procurement and subcontracting opportunities to minority and women owned businesses.

STRATEGY

The following programs have been developed and are part of TDHCA's good faith effort to achieve these goals:

- HUB Orientation/Assistance Package
- Actively participate in Economic Opportunity Forums (EOFs) enhancing the vendor knowledge of procurement opportunities at the Department.
- Utilization of the Electronic State Business Daily web-site provides opportunity to all HUBs and HUB subcontractors to acquire and participate in the Department's bid opportunities.
- Multiple Awards of single requisitions to enhance HUB vendor participation.
- Specifications, delivery dates, and guidelines are reasonable and concise.
- Ensuring that specifications and terms and conditions reflect the actual needs.
- Inclusion of contractors with reference list of Certified HUBs for subcontracting opportunities.
- Ensuring subcontracting plans are appropriately and accurately included in services and commodities contracts of which the value exceeds \$100,000. Evaluation of the contractor compliance with subcontracting plans as applicable in contracts of \$100,000 or greater.

OUTPUT MEASURES

Table I. HUB Goals and TDHCA Performance

Category	TDHCA Performance		TDHCA Goals for 2008
	2006	2007	
Heavy Construction	N/A	N/A	N/A
Building Construction	N/A	N/A	N/A
Special Trades Contracts	100%	N/A	20.0%
Professional Services Contracts	32.8%	39.9%	15.0%
Other Services Contracts	36.9%	60.2%	25.0%
Commodities Contracts	75.2%	85.9%	25.0%
Grand Total HUB Participation	42.6%	62.1%	

Table II. TDHCA Performance – Fiscal Year 2006

Category	TDHCA Performance		Percentage Spent With HUBS	Statewide Goal
	Total Dollar Amount Spent	Total Dollar Amount Spent With HUBS		
Heavy Construction	N/A	N/A	N/A	11.9%
Building Construction	N/A	N/A	N/A	26.1%
Special Trades Contracts	4,950.00	4,950.00	100%	57.2%
Professional Services Contracts	219,408.00	72,000.00	32.8%	20.0%
Other Services Contracts	2,648,163.00	979,327.00	36.9%	33.0%
Commodities Contracts	519,326.00	390,941.00	75.2%	12.6%
Grand Total Expenditures	3,391,848.00	1,447,218.00	42.6%	

B. TDHCA Performance – Fiscal Year 2007

Category	TDHCA Performance		Percentage Spent With HUBS	Statewide Goal
	Total Dollar Amount Spent	Total Dollar Amount Spent With HUBS		
Heavy Construction	N/A	N/A	N/A	11.9%
Building Construction	N/A	N/A	N/A	26.1%
Special Trades Contracts	N/A	N/A	N/A	57.2%
Professional Services Contracts	212,149.00	84,700.00	39.9%	20.0%
Other Services Contracts	1,974,614.00	1,189,822.00	60.2%	33.0%
Commodities Contracts	354,762.00	304,877.00	85.9%	12.6%
Grand Total Expenditures	2,541,526.00	1,579,399.00	62.1%	

EXTERNAL/INTERNAL ASSESSMENT

TDHCA continues to increase the use of HUBs through education of staff on procurement policy rules and procedures; through aggressively recruiting and educating prospective HUB businesses; assisting HUBs with the state HUB Certification program; and participation in EOFs with other state entities, local and federal entities and elected officials. Through participation in these Forums, TDHCA has developed new vendor relationships and continues to pursue new avenues for HUB participation. TDHCA has established and exceeded the previous years goals for procurement from HUB and subcontracting of HUB vendors.

APPENDIX I. LIST OF ABBREVIATIONS

AMFI	Area Median Family Income
CDBG	Community Development Block Grant
CEAP	Comprehensive Energy Assistance Program
CFNP	Community Food and Nutrition
CHDO	Community Housing Development Organization
CPA	Texas Comptroller of Public Accounts
CSBG	Community Services Block Grant
DADS	Texas Department of Aging and Disability Services
DHHS	US Department of Health and Human Services
DOE	US Department of Energy
DOT	US Department of Transportation
EEO	Equal Employment Opportunity
ELI	Extremely Low Income
FTE	Full-Time Employee
FY	Fiscal Year
GR	General Revenue
HOME	HOME Investment Partnerships Program
HOPWA	Housing Opportunities for Persons with AIDS
HTC	Housing Tax Credit
HTF	Housing Trust Fund
HUB	Historically Underutilized Business
HUD	US Department of Housing and Urban Development
IS	Information Systems
LAN	Local Area Network
LBB	Legislative Budget Board
LI	Low Income
LIHEAP	Low Income Home Energy Assistance Program
MFB	Multifamily Bond
MI	Moderate Income
MSA	Metropolitan Statistical Area
OCI	Office of Colonia Initiatives
ORCA	Office of Rural Community Affairs
PHA	Public Housing Authority
PJ	Participating Jurisdiction
PMC	Portfolio Management and Compliance
RAF	Regional Allocation Formula
SAO	State Auditor's Office
SOL	Statement of Ownership and Location
SOP	Standard Operating Procedure
TDHCA	Texas Department of Housing and Community Affairs
TSAHC	Texas State Affordable Housing Corporation
TSDC	Texas State Data Center
USDA	US Department of Agriculture
VLI	Very Low Income
WAN	Wide Area Network
WAP	Weatherization Assistance Program