

# 2010 - 2014 State of Texas Consolidated Plan



**TEXAS DEPARTMENT OF  
HOUSING & COMMUNITY AFFAIRS**  
*Building Homes. Strengthening Communities.*

*Cover photos left to right:*

*1. Seton Home in San Antonio, funded through the Emergency Shelter Grant Program as well as the Housing Tax Credit Program.*

*2. Seton Home resident, Desré Hawkins and her daughter.*

*3. Brownsville home built by the Community Development Corporation of Brownsville with HOME Investment Partnership Homeowner Rehabilitation Program funds.*

*4. Homeowner Heriberto Ruiz who received assistance from the Texas Department of Housing and Community Affairs.*

*5. San Elizario home built by Adult and Youth United Development Association, Inc. (AYUDA) using Contract for Deed Program funds.*

*6. Homeowner Mrs. Florencio Diaz who received assistance from the Texas Department of Housing and Community Affairs.*

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**EXECUTIVE SUMMARY**

The 2010–2014 State of Texas Consolidated Plan (Plan) covers four HUD-funded programs: the Community Development Block Grant Program (CDBG) the HOME Investment Partnerships (HOME) Program, the Emergency Shelter Grants Program (ESGP), and the Housing Opportunities for Persons with AIDS (HOPWA) Program. The Texas Department of Housing and Community Affairs, the Texas Department of Rural Affairs, and the Texas Department of State Health Services have collaborated to complete the Plan.

**OBJECTIVES AND OUTCOMES**

The State’s progress in achieving the goals put forth in the Consolidated Plan is measured according to HUD guidelines (24 CFR 91.520) and outlined in the 2009 Annual Performance Report.

The Consolidated Plan describes activities that have the objectives and outcomes as follows:

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

The objectives and outcomes as they apply to each of the four programs are listed below. For associated performance measure numbers, see the Strategic Plan section of this document.

**HOME Program Performance Measures**

<b>Outcomes and Objectives</b>	<b>Performance Indicators</b>
DH-2	No. of rental units assisted through new construction and rehabilitation
DH-2	No. of tenant-based rental assistance units
DH-2	No. of existing homeowners assisted through owner-occupied assistance
DH-2	No. of first-time homeowners assisted through homebuyer assistance

**ESGP Performance Measures**

<b>Outcomes and Objectives</b>	<b>Performance Indicators</b>
SL-1	Provide funding to support the provision of emergency and/or transitional shelter to homeless persons
DH-2	The provision of non-residential services including homelessness prevention assistance

**CDBG Performance Measures**

<b>Objectives and Outcomes</b>	<b>Performance Indicators</b>
SL-1	Neighborhood Facilities
SL-1	Water/Sewer Improvements
SL-2	Water/Sewer Improvements
SL-3	Water/Sewer Improvements
SL-1	Street Improvements
SL-2	Street Improvements
SL-3	Street Improvements
SL-1	Rehabilitation; Single Unit Residential
DH-2	Rehabilitation; Single Unit Residential
DH-3	Rehabilitation; Single Unit Residential
DH-2	Homeownership Assistance
SL-1	Parks, Playgrounds, and Other Recreational Facilities
SL-1	Public Service
SL-1	Other Public Utilities
EO-3	Other Public Utilities
SL-1	Clearance Demolition Activities
SL-3	Clearance Demolition Activities
SL-1	Fire Stations/Equipment
EO-1	ED Direct Financial Assistance for For-Profits
EO-2	ED Direct Financial Assistance for For-Profits

**HOPWA Performance Measures**

<b>Outcomes and Objectives</b>	<b>Performance Indicators</b>
DH-2	Households served by tenant based rental assistance
DH-2	Households served by short-term rent, mortgage, and utility assistance
DH-2	Households served by tenant based rental assistance and short-term rent, mortgage, and utility assistance

**EVALUATION OF PAST PERFORMANCE**

The HOME Program committed \$31,867,373 with 1,302 total units reported in PY 2008 (February 1, 2008, through January 31, 2009). Distribution of the funds by activity is described in the table below.

**HOME Funds Committed, PY 2008**

Activity	Amount
Homeownership Assistance (all activities)	\$4,076,177
Homeowner Rehabilitation	\$17,880,532
Tenant Based Rental Assistance	\$2,388,020
CHDO Rental Development	\$3,750,573
CHDO Operating Expenses	\$75,000
Rental Housing Development	\$3,697,071
Total	\$31,867,373

ESGP funds received for PY 2008 were awarded in May 2008. The State ESGP contracts using PY 2008 funds began on September 1, 2008, and will end August 31, 2009, corresponding with the Texas State Fiscal Year (FY). For PY 2008, ESGP expended \$5,695,510 through 78 grants, including shared administrative funds.

**PY 2008 ESGP Fund Expenditures by Activity**  
*(FY'07 2/1/08-8/31/08 and FY'08 9/1/08-1/31/09)*

Activity	Funding Amount	Percentage
Rehabilitation	\$6,520	.11%
Maintenance, Operations	\$2,395,121	42.05%
Essential Services	\$1,299,178	22.82%
Homeless Prevention	\$1,644,858	28.88%
Operations Administration	\$331,615	5.82%
Administration shared w/local govts	\$18,218	.32%
Total Funds Committed	\$5,695,510	

*\*Includes ESG expenditures from two contract periods, FY 2007 and FY 2008*

During Program Year 2008, the Texas CDBG Program committed a total of \$86,831,666 through 328 awarded contracts. For contracts that were awarded in PY 2008, 858,021 persons received service. Distribution of the funds by activity is described in the table below.

**CDBG Funds Committed, PY 2008**

Fund	Program Description	2008 Total Obligation
Community Development	Provides grants on a competitive basis to address public facility and housing needs such as sewer, water system, road, and drainage improvements. Affordable housing is an eligible project activity within this fund category.	\$30,555,382

**Executive Summary**

<b>Fund</b>	<b>Program Description</b>	<b>2008 Total Obligation</b>
Community Development Supplemental Fund	Allocates additional funds among the 24 state planning regions using a different allocation formula. Same application and purposes as the Community Development Fund.	16,421,690
Texas Capital Fund	Provides financing for projects that create and retain jobs primarily for low- and moderate-income persons.	7,982,650
Colonia Construction Fund	Provides grants for colonia projects; primarily water, sewer and housing.	5,270,000
Colonia EDAP Fund	Provides grants for colonias for the cost of service lines, service connections, and plumbing improvements associated with being connected to a Texas Water Development Board's (TWDB) Economically Distressed Areas Program (EDAP)-funded water and sewer system improvement project.	1,905,000
Colonia Planning Fund	Colonia Area Planning Fund – provides grants for preliminary surveys and site engineering, provides assistance towards the cost of architectural services, mortgage commitments, legal services, and obtaining construction loans. Colonia Comprehensive Planning Fund - provides assistance that is used to conduct a complete inventory of the colonias that includes demographic, housing, public facilities, public services, and land use statistics.	155,000
Colonia Self-Help Centers	Provides grant funds for the operation of seven Self-Help Centers in colonias.	3,600,000
Non-Border Colonia	This fund is available on a biennial basis to eligible county applicants for primarily water and sewer projects in severely distressed unincorporated areas located farther than 150 miles from the Texas-Mexico border and within non-entitlement counties.	728,403
Planning / Capacity Building	Provides grants on a competitive basis to communities for planning activities that address public facility and housing needs.	654,920
Disaster Relief/ Urgent Need	Provides grants to communities on an as-needed basis for recovery from disasters such as floods or tornadoes and Urgent water and sewer needs of recent origin that are unanticipated and pose a serious public safety or health hazard.	14,343,789
STEP Fund	Provides grants to cities and counties for solving water and sewer problems with a self-help approach that requires local	3,526,118



Fund	Program Description	2008 Total Obligation
	participation through donated labor and materials.	
Renewable Energy Demonstration Pilot Program	Provides grants to cities and counties for demonstration projects that employ renewable energy for at least 20% of the total energy requirements, (excluding the purchase of energy from the electric grid that was produced with renewable energy). The priority will be for projects that are connected with providing public facilities to meet basic human needs such as water or waste water.	988,714
Rural Health Pilot Project	Pilot program to provide access to health care services.	500,000
Micro-Enterprise Loan Fund	Provides a tool for rural communities to assist their very small businesses (5 or fewer employees) access capital.	200,000
<b>Total</b>		<b>\$86,831,666</b>

The HOPWA Program expended \$2,887,535 with 2,341 beneficiaries of housing assistance reported in PY 2008. Funds were used toward tenant-based rental assistance and emergency assistance to prevent homelessness of low-income persons with HIV/AIDS. Distribution of the funds by activity is described in the table below.

**HOPWA Program Expenditures, PY 2008**

Activity	Amount
Expenditures for Housing Information Services	\$0
Expenditures for Resource Identification	\$0
Expenditures for Housing Assistance (equals the sum of all sites and scattered-site Housing Assistance)	\$2,337,316
Expenditures for Supportive Services	\$352,420
Grantee Administrative Costs expended	\$46,419
Project Sponsor(s) Administrative Costs expended	\$151,380
<b>Total of HOPWA funds expended during period</b>	<b>\$2,887,535</b>

## CONSULTATION AND PUBLIC PARTICIPATION

The 2010-2014 State of Texas Consolidated Plan had a 38-day public comment period from September 18th to October 26th, 2009. To ensure that citizens will be given the opportunity to comment on the draft version of the Plan, TDHCA held six hearings across the state. Constituents are encouraged to give input regarding all Department programs in writing or at one of the public hearings held across the state.

The Department makes an effort to collaborate with a diverse cross-section of the public in order to meet the various affordable housing needs of Texans. The Department collaborates with government bodies, non-profits, and community and faith-based groups.

## ***Introduction***

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### ***Key Organizational Events***

## **INTRODUCTION**

The Texas Department of Housing and Community Affairs (TDHCA or the Department) administers the ESGP and HOME Program; the Texas Department of Rural Affairs (TDRA) administers CDBG; and the Texas Department of State Health Services (DSHS) administers the HOPWA Program. All of these programs are covered in the 2010-2014 State of Texas Consolidated Plan (Plan). TDHCA is the entity responsible for overseeing the development of the Plan.

## **KEY ORGANIZATIONAL EVENTS**

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

In accordance with House Bill 7, effective September 1, 2002, the Community Development Block Grant and Local Government Services programs were transferred from TDHCA to the newly-created Office of Rural Community Affairs, now called the Texas Department of Rural Affairs (TDRA). However TDHCA, through an interagency contract with TDRA, administers 2.5 percent of the CDBG funds used for the Self-Help Centers along the Texas-Mexico border. The Department of State Health Services administers the Housing Opportunities for Persons With AIDS (HOWPA).

With the exception of the Section 8 Housing Choice Voucher Program, TDHCA administers its programs and services through a network of organizations across Texas and does not fund individuals directly. These organizations include units of local government, nonprofit organizations, for-profit organizations, Public Housing Authorities and Community Housing Development Organizations.

The Department's programs are grouped into the following divisions:

- Multifamily Finance Production Division
- Texas Homeownership Division
- HOME Investment Partnership Program Division
- Housing Trust Fund Division
- Office of Colonia Initiatives
- Disaster Recovery Division
- Community Affairs Division
- Neighborhood Stabilization Program Division

Additionally, there are several Divisions within TDHCA which are involved in the administration of the agency as a whole but which do not administer specific programs. These include:

- Division of Policy and Public Affairs
- Housing Resource Center
- Real Estate Analysis
- Compliance and Asset Oversight
- Administrative Support
- Bond Finance

- Financial Administration
- Information Systems
- Internal Audit
- Legal Services

## **CONSULTATION WITH OTHER ENTITIES**

Before preparing the Plan, the Texas Department of Housing and Community Affairs, the Texas Department of Rural Affairs, and the Texas Department of State Health Services meet with various organizations concerning the prioritization and allocation of the Departments' resources. Because this is a working document, all forms of public input are taken into account in its preparation.

Collaborative efforts between TDHCA and numerous organizations resulted in a participatory approach towards defining strategies to meet the diverse affordable housing needs of Texans. TDHCA acknowledges the assistance provided by the organizations listed below to assist the Department in working towards reaching its mission, goals, and objectives, which relate directly to the formation of the Consolidated Plan. These contributions were made in various forms, from direct contact at conferences and remotely to availability of research materials on the Internet.

- American Association of Retired Persons
- Center for Disease Control National AIDS Hotline
- Community Resource Coordination Groups
- Enterprise Foundation
- Federal Reserve Bank of Dallas
- Legislative Budget Board/GOBP
- Local community action agencies
- Local councils of governments
- Local housing finance corporations
- Local nonprofit organizations
- National and local private lenders
- National Center for Farmworker Health Inc.
- National Center for Victims of Crime
- National Coalition for the Homeless
- National Coalition for Homeless Veterans
- National Council of State Housing Agencies
- National Domestic Violence Hotline
- National Housing Council
- National Lead Information Clearinghouse
- National Low Income Housing Coalition
- National Safety Council
- Neighborhood Reinvestment Corporation
- Texas Department of Rural Affairs
- Rural Rental Housing Association of Texas
- Technical Assistance Collaborative
- Texas A&M Real Estate Center
- Texas A&M Center for Housing and Urban Development
- Texas Affiliation of Affordable Housing Providers
- Texas Association of Community Development Corporations
- Texas Association of Local Housing Finance Agencies
- Texas Association of Regional Councils
- Texas Bond Review Board
- Texas Commission for the Blind
- Texas Council for Developmental Disabilities
- Texas Council on Family Violence

## ***Introduction***

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### ***Consultation with Other Entities***

- Texas Department of Assistive and Rehabilitative Services
- Texas Department of State Health Services
- Texas Department of Human Services
- Texas Department of Mental Health and Mental Retardation
- Texas Department on Aging
- Texas Home of Your Own Coalition
- Texas Homeless Network
- Texas Interagency Council for the Homeless
- Texas House Committee on Urban Affairs
- Texas House Committee on Appropriations
- Texas House Committee on Border and International Affairs
- Texas House Committee on Financial Institutions
- Texas Senate Committee on Intergovernmental Relations
- Texas Senate Committee on International Relations and Trade
- Texas Low Income Information Service
- Texas Office of the Credit Commissioner
- Texas Public Housing Authorities
- Texas residents who testified at public hearings and roundtables and submitted written comment
- Texas State Affordable Housing Corporation
- Texas State Data Centers
- Texas Workforce Commission
- The Urban Institute
- United Cerebral Palsy of Texas
- US Department of Agriculture
- US Department of Energy
- US Department of Housing and Urban Development
- US Department of Labor
- US Department of Veterans Affairs

The Texas Department of State Health Services contracts with eight administrative agencies across the state to provide administrative support in implementing the state's HOPWA formula program. One of the Administrative Agencies' responsibilities is to work with HIV Planning councils in the major metropolitan areas of the state and with other organizations and stakeholders outside the major metropolitan areas to develop comprehensive HIV Services plans and needs assessments. In both the major metropolitan and other areas of the state, HIV Services Plans and needs assessments are developed through consultation with clients and other stakeholders through interviews, focus groups, and public hearings. Administrative Agencies must communicate with stakeholders through dissemination of written copies of services plans, posting of the plans on the Internet, town hall meetings, and advisory groups. Administrative Agencies are also required to evaluate the effectiveness of the services plans in meeting the plans' stated goals and identified needs and to periodically assess the need for reallocation of resources to assure the efficient and appropriate expenditure of funds.

The Texas Department of Rural Affairs has had a good working relationship with HUD, state program committees, state agencies, federal funding partners, local communities, Councils of Governments (COGs), public and private sector, and others involved in the CDBG program. Through public hearings, application workshops, technical assistance visits, monitoring visits, interagency work groups, and general communications, TDRA has worked to keep the public aware of program modifications and changes.

The Texas Department of Agriculture administers the Texas Capital Fund under a memorandum of understanding. The agency coordinates activities including the public hearings on the Action Plan, a

project Implementation Manual that contains the Texas Capital Fund, and presentations to the TDRA Board.

TDRA also works with a variety of other programs through several interagency workgroups. Workgroups focusing on state and federal funding coordination state-wide and in the colonias include the Texas Water Development Board (TWDB), the Secretary of State's Office, the U.S. Department of Agriculture's Rural Development division, the North American Development Bank & Border Environment Cooperation Commission, the Comptroller's Office, the Attorney General's Office, the Texas Commission on Environmental Quality (TCEQ), the U.S. Army Corps of Engineers, and TDHCA. Further, the division and TCEQ is currently working on a process in which TCEQ field representatives help verify new service to Texas CDBG Program project beneficiaries when first-time water or sewer is funded.

The following agency heads or their designees meet with TDRA to discuss rural issues and to provide information showing the impact each agency has on rural communities for use in developing rural policy and compiling the annual Status of Rural Texas report:

- the Commissioner of Agriculture
- the Executive Director of the Public Utility Commission of Texas
- the Director of the Texas Agricultural Extension Service
- the Presiding Officer of the Telecommunications Infrastructure Fund Board
- the Executive Director of the Texas Department of Housing and Community Affairs
- the Commissioner of the Department of State Health Services
- the Executive Administrator of the Texas Water Development Board
- the Executive Director of the Parks and Wildlife Department
- the Commissioner of Higher Education
- the Comptroller
- the Executive Director of the Texas Department of Transportation
- the Executive Director of the Texas Commission on Environmental Quality
- the Executive Director of the Texas Economic Development and Tourism Office
- the Commissioner of Insurance
- the Commissioner of the Department of Aging and Disability Services
- the Commissioner of Education
- the Executive Commissioner of the Health and Human Services Commission
- the Executive Director of the Texas Workforce Commission
- the Executive Director of the Texas Historical Commission
- a member of the Railroad Commission of Texas
- the Executive Director of the State Soil and Water Conservation Board
- the Executive Director of the Texas Department of Rural Affairs
- the head of any other agency interested in rural issues
- a representative from the entity that provides mediation services to the state under 7 U.S.C. Section 5102 as designated by the governor

Several issues related to the Texas Department of Housing and Community Affairs are reviewed by various legislative interim committees. Below is a listing of those committees and the charges that

**Introduction**

**Consultation with Other Entities**

directly related to TDHCA during the 81<sup>st</sup> Texas Legislature, Interim. Please note that both TDHCA and the general public were invited to testify on these issues. The testimony received was taken into account in the development of this Plan. In addition, during the 81<sup>st</sup> Texas Legislature Session, the following committees took public testimony on major bills affecting TDHCA or its budget:

- House Committee on Urban Affairs
- House Committee on Appropriations
- House Committee on Licensing and Administrative Procedures
- House Committee on Financial Institution
- House Committee on Human Services
- House Select Committee on Federal Economic Stabilization Funding
- Senate Committee on Intergovernmental Relations
- Senate Committee on Finance
- Senate Committee on Business and Commerce
- Senate Committee on Health and Human Services

**81<sup>st</sup> TEXAS LEGISLATURE, INTERIM CHARGES**

<b>COMMITTEE</b>	<b>CHARGES DIRECTLY RELATED TO TDHCA</b>
House Committee on Urban Affairs	<ul style="list-style-type: none"> <li>○ Oversight committee</li> <li>○ Assess the current senior housing market and available options for affordable senior housing Study and evaluate the levels, methods and alternatives by which the state funds all affordable housing programs, focusing on administrative cost-effectiveness to determine greater returns on investment, savings and efficiency. Examine the current procedures and applications of the annual, integrated Low Income Housing Plan prepared by the Texas Department of Housing and Community Affairs, and prepare recommendations for the development of a comprehensive, long-range, statewide plan or model to address growing needs throughout the state.</li> <li>○ Monitor current methodology involving departmental rules, procedures and policies governing state and federal compliance in the evaluation and ranking of all multifamily affordable housing applications for the allocation of funds during the annual awards cycles.</li> <li>○ Examine the development and implementation of a physical standards (asset oversight) rating system for multifamily residential rental facilities, to be used by all local and state issuers of tax-exempt bonds and tax credits, to determine eligibility for future financing and for compliance enforcement purposes</li> <li>○ Examine the policies and procedures by which local tax appraisers value rent-restricted affordable housing properties, and authorize legislatively established tax exemptions. Evaluate application and interpretation of existing statutes by local appraisal districts to affordable housing properties throughout the life cycle of developments. Make recommendations for statutory changes. (Joint Interim Charge with the House Committee on Local Government Ways and Means)</li> </ul>

COMMITTEE	CHARGES DIRECTLY RELATED TO TDHCA
House Committee on Appropriations	<ul style="list-style-type: none"> <li>○ As an oversight of all state agencies, assess all performance measures, operating budgets, budget transfers, and changes in full-time equivalents, major contracts, litigation, and debt financing, including assessing all rider provisions and evaluating budget structure effectiveness.</li> </ul>
House Committee on Financial Institutions	<ul style="list-style-type: none"> <li>○ Monitor federal rules and regulations on lending and determine the state's role in regulating issues that relate to the mortgage foreclosure process, disclosures for loan terms, home equity, mortgage brokers, mortgage bankers, and consumers.</li> <li>○ Monitor the implementation of HB 716, 80th Legislature, Regular Session, to determine if there is a need to further legislate the protection of homebuyers in mortgage fraud schemes, emphasizing the impact in the foreclosure process protections, and counseling for mortgage products.</li> </ul>
Senate Committee on Intergovernmental Relations	<ul style="list-style-type: none"> <li>○ Oversight Committee</li> <li>○ Increasing the effectiveness of the Texas Department of Housing and Community Affairs' (TDHCA) Housing Tax Credit (HTC) Program. Examine potential rule changes to the HTC Program's Qualified Allocation Plan to give owners of mixed-income projects seeking low-income housing credits the same opportunity to receive credits that low-income projects have, thus helping cities address the problem of a lack of adequate quality affordable housing while enhancing central city revitalization</li> <li>○ Significantly improving homeownership rates by evaluating Texas' efforts to address the growing housing need. Efforts should include assessment of the range of tools which may be used to help low income Texans develop equity through homeownership. Tools should be evaluated in terms of their economic development impact, leverage of federal and private funds, and how they are utilized in other states.</li> <li>○ Evaluate the progress of affordable housing programs within the state and developing recommendations to boost the capacity of non profits to build increased affordable housing developments</li> <li>○ Monitor the expansion of the Housing Trust Fund by the 80th Legislature; review the funds of other states to develop recommendations for a permanent funding source for the Texas Housing Trust Fund.</li> <li>○ Assessing the existing use of state and federal housing funds in relation to statutory and budgetary mandates.</li> <li>○ Examine the incidence of health and safety violations and concerns for general habitability among multi-family and single-family rental properties across the state, including properties financed or supported by the state. Consider the adequacy of the existing authority conferred by the state upon local governments to address violations of habitability standards. Make recommendations for extension of local capacity for redress.</li> </ul>

## Introduction

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### Consultation with Other Entities

COMMITTEE	CHARGES DIRECTLY RELATED TO TDHCA
Senate Committee on International Relations and Trade	<ul style="list-style-type: none"><li data-bbox="537 260 1411 394">○ Review state and local policies relating to development and growth in rural and unincorporated regions of the state. Work with housing advocates, county organizations and appropriate officials to assess the proliferation of substandard housing in rural and unincorporated areas</li><li data-bbox="537 405 1411 718">○ Develop recommendations to better provide Border and rural communities access to state and federal resources. Review the programs established by different states and recommend initiatives that Texas can enact to increase the competitiveness of these communities, engender critical development, provide affordable housing, identify community assets, retain/create wealth and create regional jobs. Study and make recommendations to expand business opportunities in international markets for businesses located in economically distressed areas, including rural and Border areas</li></ul>
Senate Committee on Finance	<ul style="list-style-type: none"><li data-bbox="537 730 1411 791">○ Provide effective budget oversight of state agencies to ensure that monies appropriated are spent wisely.</li></ul>



**HOUSING AND HOMELESS NEEDS ASSESSMENT****§ 91.305 Housing and homeless needs assessment.**

(a) **General.** The consolidated plan must provide a concise summary of the state's estimated housing needs projected for the ensuing five-year period. Housing data included in this portion of the plan shall be based on U.S. Census data, as provided by HUD, as updated by any properly conducted local study, or any other reliable source that the state clearly identifies and should reflect the consultation with social service agencies and other entities conducted in accordance with Sec. 91.110 and the citizen participation process conducted in accordance with Sec. 91.115. For a state seeking funding under the HOPWA program, the needs described for housing and supportive services must address the unmet needs of low-income persons with HIV/AIDS and their families in areas outside of eligible metropolitan statistical areas.

(b) **Categories of persons affected.**

(1) The plan shall estimate the number and type of families in need of housing assistance for extremely low-income, low-income, moderate-income, and middle-income families, for renters and owners, for elderly persons, for single persons, for large families, for persons with HIV/AIDS and their families, and for persons with disabilities. The description of housing needs shall include a concise summary of the cost burden and severe cost burden, overcrowding (especially for large families), and substandard housing conditions being experienced by extremely low-income, low-income, moderate-income, and middle-income renters and owners compared to the state as a whole. (The state must define in its consolidated plan the terms "standard condition" and "substandard condition but suitable for rehabilitation.")

(2) For any of the income categories enumerated in paragraph(b)(1) of this section, to the extent that any racial or ethnic group has disproportionately greater need in comparison to the needs of that category as a whole, assessment of that specific need shall be included.

For this purpose, disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group in a category of need is at least 10 percentage points higher than the percentage of persons in the category as a whole.

(c) **Homeless needs.** The plan must provide a concise summary of the nature and extent of homelessness (including rural homelessness and chronically homeless persons) within the state, addressing separately the need for facilities and services for homeless individuals and homeless families with children, both sheltered and unsheltered, and homeless subpopulations, in accordance with a table prescribed by HUD.

This description must include the characteristics and needs of low-income individuals and families with children (especially extremely low-income) who are currently housed but threatened with homelessness. The plan also must contain a brief narrative description of the nature and extent of homelessness by racial and ethnic group, to the extent information is available.

(d) **Other special needs.**

(1) The State shall estimate, to the extent practicable, the number of persons who are not homeless but require supportive housing, including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and any other categories the State may specify, and describe their supportive housing needs.

(2) With respect to a State seeking assistance under the HOPWA program, the plan must identify the size and characteristics of the population with HIV/AIDS and their families within the area it will serve.

(e) **Lead-based paint hazards.** The plan must estimate the number of housing units within the State that are occupied by low-income families or moderate-income families that contain lead-based paint hazards, as defined in this part.

(Approved by the Office of Management and Budget under control number 2506-0117)

[60 FR 1896, Jan. 5, 1995, as amended at 61 FR 51760, Oct. 3, 1996; 71 FR 6967, Feb. 9, 2006]

## CATEGORIES OF PERSONS AFFECTED

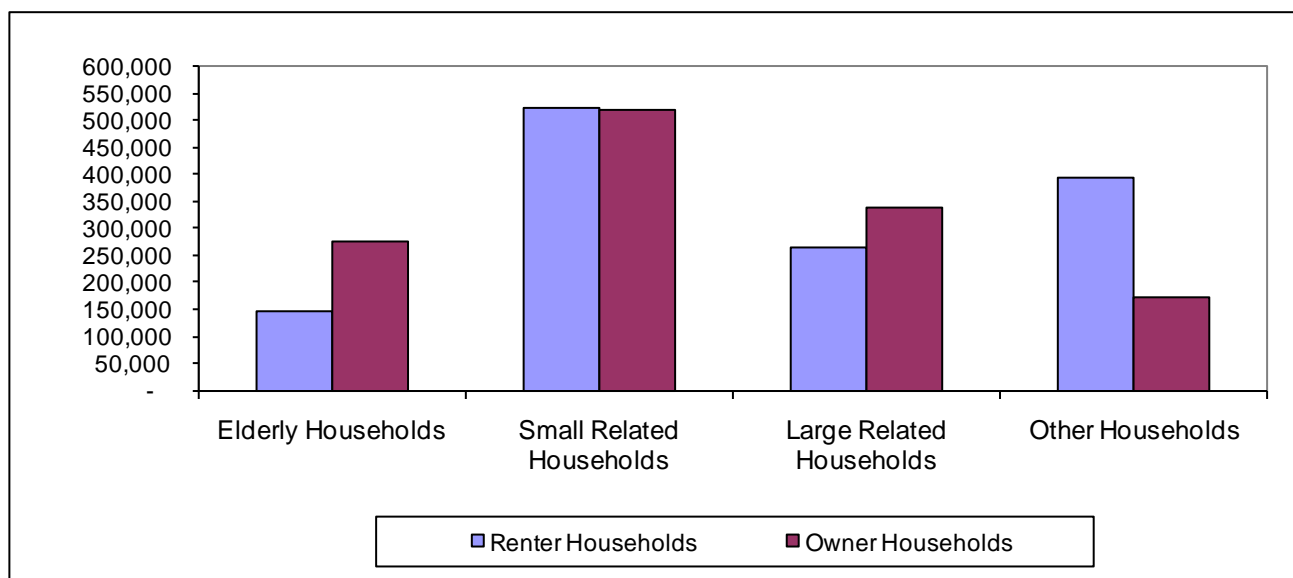
### HOUSEHOLDS BY INCOME GROUP AND HOUSEHOLD TYPE

Figure 1.1 shows the estimated households in the State of Texas in need of housing assistance by household type. This figure is based on data from the 2000 CHAS Database projected to 2009 using HISTA data. To update the figures, the percentage population change from HISTA data was applied to the 2000 CHAS data. HISTA data is a four-way cross tabulation of household data built by a demographic data provider and made available for purchase from Ribbon Demographics. The Department purchased 2009 and 2014 population projections from Ribbon Demographics during the summer of 2009. The summary indicator of housing need for the CHAS database is the share of households with one or more housing problems, which includes households with any of the following three problems: (1) excessive housing cost burden (greater than 30 percent of income), (2) overcrowding, or (3) living in a housing unit lacking complete kitchen and/or plumbing.

Table 1.1 shows the number of households with one or more housing problems by income group and HUD-defined household type. The 2000 figures are from the 2000 CHAS database, while the 2009 and 2014 figures are projections based on HISTA data. The projection varied the rate of household growth according to income groups and household types as well as across renter and owner households.

As shown in Table 1.1, an estimated 2,771,541 households (total renter and total owner households) in Texas are in need of housing assistance in the year 2009. This figure is 25 percent of the total of 11,274,877 households in Texas in the year 2009. Of the households in need of housing assistance, 51 percent, or 1,419,608, will be renter households and 49 percent, or 1,351,933, will be owner households.

**Figure 1.1: Estimated Households in Need of Housing Assistance by Household – Texas, 2009**



Source: CHAS 2000 with projections based on HISTA data.

**Table 1.1: Estimated Households in Need of Housing Assistance – Texas, 2000, 2009, and 2014**

<b>0-30% AMFI</b>	<b>Renters 2000</b>	<b>Renters Projected 2009</b>	<b>Renters Projected 2014</b>
Elderly Households	59,065	67,925	68,515
Small Related Households	162,308	186,654	188,277
Large Related Households	63,879	73,461	74,100
Other Households	133,429	153,443	154,778
<b>Total Households</b>	<b>418,681</b>	<b>481,483</b>	<b>485,670</b>

<b>0-30% AMFI</b>	<b>Owners 2000</b>	<b>Owners Projected 2009</b>	<b>Owners Projected 2014</b>
Elderly Households	100,876	123,069	129,121
Small Related Households	76,492	93,320	97,910
Large Related Households	39,256	47,892	50,248
Other Households	39,368	48,029	50,391
<b>Total Households</b>	<b>255,992</b>	<b>312,310</b>	<b>327,670</b>

<b>31-50% AMFI</b>	<b>Renters 2000</b>	<b>Renters Projected 2009</b>	<b>Renters Projected 2014</b>
Elderly Households	36,578	42,065	42,430
Small Related Households	133,605	153,646	154,982
Large Related Households	58,132	66,852	67,433
Other Households	102,090	117,404	118,424
<b>Total Households</b>	<b>330,405</b>	<b>379,966</b>	<b>383,270</b>

<b>31-50% AMFI</b>	<b>Owners 2000</b>	<b>Owners Projected 2009</b>	<b>Owners Projected 2014</b>
Elderly Households	62,920	76,762	80,538
Small Related Households	79,006	96,387	101,128
Large Related Households	53,907	65,767	69,001
Other Households	24,401	29,769	31,233
<b>Total Households</b>	<b>220,234</b>	<b>268,685</b>	<b>281,900</b>

<b>51-80% AMFI</b>	<b>Renters 2000</b>	<b>Renters Projected 2009</b>	<b>Renters Projected 2014</b>
Elderly Households	19,934	22,924	23,123
Small Related Households	98,014	112,716	113,696
Large Related Households	57,987	66,685	67,265
Other Households	79,147	91,019	91,811
<b>Total Households</b>	<b>255,082</b>	<b>293,344</b>	<b>295,895</b>

<b>51-80% AMFI</b>	<b>Owners 2000</b>	<b>Owners Projected 2009</b>	<b>Owners Projected 2014</b>
Elderly Households	41,173	50,231	52,701
Small Related Households	121,204	147,869	155,141
Large Related Households	81,842	99,847	104,758
Other Households	35,978	43,893	46,052
<b>Total Households</b>	<b>280,197</b>	<b>341,840</b>	<b>358,652</b>

## Housing and Homeless Needs Assessment

### Categories of Persons Affected

81-95% AMFI	Renters 2000	Renters Projected 2009	Renters Projected 2014
Elderly Households	3,638	4,184	4,220
Small Related Households	18,310	21,057	21,240
Large Related Households	14,142	16,263	16,405
Other Households	11,784	13,552	13,669
Total Households	47,874	55,055	55,534

81-95% AMFI	Owners 2000	Owners Projected 2009	Owners Projected 2014
Elderly Households	9,883	12,057	12,650
Small Related Households	40,150	48,983	51,392
Large Related Households	25,542	31,161	32,694
Other Households	14,049	17,140	17,983
Total Households	89,624	109,341	114,719

More than 95 % AMFI	Renters 2000	Renters Projected 2009	Renters Projected 2014
Elderly Households	8,169	9,394	9,476
Small Related Households	43,853	50,431	50,869
Large Related Households	35,490	40,814	41,168
Other Households	17,060	19,619	19,790
Total Households	104,572	120,258	121,304

More than 95% AMFI	Owners 2000	Owners Projected 2009	Owners Projected 2014
Elderly Households	23,454	28,614	30,021
Small Related Households	131,939	160,966	168,882
Large Related Households	92,229	112,519	118,053
Other Households	34,919	42,601	44,696
Total Households	282,541	344,700	361,652

Total Households	Owners 2000	Owners Projected 2009	Owners Projected 2014
Elderly Households	127,384	146,492	147,765
Small Related Households	456,090	524,504	529,064
Large Related Households	229,630	264,075	266,371
Other Households	343,510	395,037	398,472
Total Households	1,156,614	1,330,106	1,341,672

Total Households	Owners 2000	Owners Projected 2009	Owners Projected 2014
Elderly Households	238,306	290,733	305,032
Small Related Households	448,791	547,525	574,452
Large Related Households	292,776	357,187	374,753
Other Households	148,715	181,432	190,355
Total Households	1,128,588	1,376,877	1,444,593

Source: CHAS 2000 with projections based on HISTA data.

Table 1.2 shows the number and percentage of households with one or more housing problems in 2009, by income group and household type. Renter households generally have a higher incidence of housing problems than owner households. Also, lower income groups have much higher rates of incidence of housing problems than higher income groups. Among household types, large related family households have the highest rates of housing problems.

# Housing and Homeless Needs Assessment

## Categories of Persons Affected

**Table 1.2: Households with One or More Housing Problems - Texas, 2009**

0-30% AMFI	Renters At Least One Problem	Renters Total Households	Renters Percent with At Least One Problem
Elderly Households	67,925	109,400	62.1%
Small Related Households	186,654	235,214	79.4%
Large Related Households	73,461	79,887	92.0%
Other Households	153,443	210,593	72.9%
Total Households	481,483	635,093	75.8%

0-30% AMFI	Owners At Least One Problem	Owners Total Households	Owners Percent with At Least One Problem
Elderly Households	117,016	175,853	66.5%
Small Related Households	88,731	118,834	74.7%
Large Related Households	45,537	51,417	88.6%
Other Households	45,667	68,579	66.6%
Total Households	296,951	414,683	71.6%

Total Households
184,941
275,385
118,998
199,110
778,434

31-50% AMFI	Renters At Least One Problem	Renters Total Households	Renters Percent with At Least One Problem
Elderly Households	42,065	70,501	59.7%
Small Related Households	153,646	207,834	73.9%
Large Related Households	66,852	77,365	86.4%
Other Households	117,404	146,135	80.3%
Total Households	379,966	501,835	75.7%

31-50% AMFI	Owners At Least One Problem	Owners Total Households	Owners Percent with At Least One Problem
Elderly Households	72,987	194,982	37.4%
Small Related Households	91,647	278,560	32.9%
Large Related Households	62,532	121,022	51.7%
Other Households	28,305	79,216	35.7%
Total Households	255,471	673,780	37.9%

Total Households
115,052
245,293
129,384
145,709
635,437

51-80% AMFI	Renters At Least One Problem	Renters Total Households	Renters Percent with At Least One Problem
Elderly Households	22,924	54,656	41.9%
Small Related Households	112,716	287,855	39.2%
Large Related Households	66,685	94,163	70.8%
Other Households	91,019	242,223	37.6%
Total Households	293,344	678,898	43.2%

51-80% AMFI	Owners At Least One Problem	Owners Total Households	Owners Percent with At Least One Problem
Elderly Households	47,761	244,435	19.5%
Small Related Households	140,597	327,510	42.9%
Large Related Households	94,937	153,426	61.9%
Other Households	41,734	92,646	45.0%
Total Households	325,029	818,017	39.7%

Total Households
70,685
253,313
161,622
132,754
618,373

## Housing and Homeless Needs Assessment

### Categories of Persons Affected

81-95% AMFI	Renters At Least One Problem	Renters Total Households	Renters Percent with At Least One Problem
Elderly Households	4,184	15,825	26.4%
Small Related Households	21,057	105,448	20.0%
Large Related Households	16,263	28,655	56.8%
Other Households	13,552	103,756	13.1%
Total Households	55,055	253,684	21.7%

81-95% AMFI	Owners At Least One Problem	Owners Total Households	Owners Percent with At Least One Problem
Elderly Households	11,464	91,545	12.5%
Small Related Households	46,574	171,542	27.2%
Large Related Households	29,629	62,440	47.5%
Other Households	16,297	47,030	34.7%
Total Households	103,964	372,557	27.9%

Total Households
15,648
67,631
45,892
29,848
159,019

81-95% AMFI	Renters At Least One Problem	Renters Total Households	Renters Percent with At Least One Problem
Elderly Households	9,394	62,264	15.1%
Small Related Households	50,431	460,030	11.0%
Large Related Households	40,814	85,861	47.5%
Other Households	19,619	389,239	5.0%
Total Households	120,258	997,395	12.1%

81-95% AMFI	Owners At Least One Problem	Owners Total Households	Owners Percent with At Least One Problem
Elderly Households	27,207	577,016	4.7%
Small Related Households	153,049	2,029,389	7.5%
Large Related Households	106,986	418,592	25.6%
Other Households	40,506	351,997	11.5%
Total Households	327,748	3,376,994	9.7%

Total Households
36,601
203,480
147,799
60,125
448,005

81-95% AMFI	Renters At Least One Problem	Renters Total Households	Renters Percent with At Least One Problem
Elderly Households	146,492	312,646	46.9%
Small Related Households	524,504	1,296,381	40.5%
Large Related Households	264,075	365,931	72.2%
Other Households	395,037	1,091,947	36.2%
Total Households	1,330,106	3,066,905	43.4%

81-95% AMFI	Owners At Least One Problem	Owners Total Households	Owners Percent with At Least One Problem
Elderly Households	276,435	1,283,831	21.5%
Small Related Households	520,598	2,925,834	17.8%
Large Related Households	339,620	806,897	42.1%
Other Households	172,509	639,469	27.0%
Total Households	1,309,162	5,656,031	23.1%

Total Households
422,927
1,045,101
603,695
567,546
2,639,268

Source: CHAS 2000 with projections based on HISTA data.

## Housing and Homeless Needs Assessment

### Categories of Persons Affected

Table 1.3 shows the rates of incidence among households, by income group, of the following types of housing problems: substandard housing, overcrowding, extreme cost burden, and severe cost burden.

Affordability, or housing cost burden, is the most common housing problem. According to the 2009 data, approximately 18 percent of all households have a housing cost burden. Housing cost burden and overcrowding affects renter households more than owner households and affects lower income households at a much higher rate than higher income households.

**Table 1.3: Types of Housing Problems of Households – Texas, 2009**

Total Households Income Group	Total Households	Substandard Housing Count	Substandard Housing Percent	Overcrowded Households Count	Overcrowded Households Percent	Extreme Cost Burden Count	Extreme Cost Burden Percent	Severe Cost Burden Count	Severe Cost Burden Percent
0% to 30%	1,051,694	29,867	2.8%	151,051	14.4%	597,941	56.9%	462,777	44.0%
31% to 50%	976,024	18,409	1.9%	152,317	15.6%	465,149	47.7%	172,169	17.6%
51% to 80%	1,500,693	18,996	1.3%	200,208	13.3%	399,733	26.6%	76,651	5.1%
81% to 95%	628,079	4,870	0.8%	60,765	9.7%	93,253	14.8%	13,949	2.2%
Over 95%	4,376,940	22,892	0.5%	210,500	4.8%	214,784	4.9%	25,978	0.6%
Total	8,533,429	95,034	1.1%	774,839	9.1%	1,770,859	20.8%	751,523	8.8%

Total Households Income Group	Total Households	Substandard Housing Count	Substandard Housing Percent	Overcrowded Households Count	Overcrowded Households Percent	Extreme Cost Burden Count	Extreme Cost Burden Percent	Severe Cost Burden Count	Severe Cost Burden Percent
0% to 30%	636,225	17,333	2.7%	112,986	17.8%	351,486	55.2%	287,374	45.2%
31% to 50%	502,389	10,019	2.0%	99,866	19.9%	269,714	53.7%	81,704	16.3%
51% to 80%	679,739	9,907	1.5%	112,761	16.6%	170,718	25.1%	16,267	2.4%
81% to 95%	254,219	2,490	1.0%	31,563	12.4%	21,028	8.3%	2,000	0.8%
Over 95%	998,377	9,639	1.0%	88,695	8.9%	22,005	2.2%	2,605	0.3%
Total Renter	3,070,949	49,388	1.6%	445,871	14.5%	834,951	27.2%	389,949	12.7%

Total Households Income Group	Total Households	Substandard Housing Count	Substandard Housing Percent	Overcrowded Households Count	Overcrowded Households Percent	Extreme Cost Burden Count	Extreme Cost Burden Percent	Severe Cost Burden Count	Severe Cost Burden Percent
0% to 30%	415,469	12,534	3.0%	38,064	9.2%	246,455	59.3%	175,404	42.2%
31% to 50%	473,635	8,390	1.8%	52,451	11.1%	195,434	41.3%	90,465	19.1%
51% to 80%	820,954	9,089	1.1%	87,447	10.7%	229,015	27.9%	60,384	7.4%
81% to 95%	373,860	2,380	0.6%	29,202	7.8%	72,225	19.3%	11,949	3.2%
Over 95%	3,378,563	13,253	0.4%	121,805	3.6%	192,779	5.7%	23,373	0.7%
Total Owner	5,462,481	45,646	0.8%	328,968	6.0%	935,909	17.1%	361,574	6.6%

Source: CHAS 2000 with projections based on HISTA data.

The state defines “standard condition” of housing as properties that meet the federal Housing Quality Standards, or the state Colonia Housing Standards, as applicable. “Substandard condition but suitable for rehabilitation” refers to properties that do not meet the above standards but are not sufficiently deteriorated to justify demolition or replacement. These definitions refer to the condition of properties prior to the receipt of assistance.



## Housing and Homeless Needs Assessment

### Categories of Persons Affected

The Consolidated Plan is required to examine whether a disproportionately greater housing need exists for any racial or ethnic group for the following income categories: 0-30 percent, 31-50 percent, 51-80 percent, and 81-95 percent of median income. For these purposes, disproportionately greater need exists when, in an income category, the percentage of households of a particular racial or ethnic group in need of housing assistance is at least 10 percentage points higher than the percentage of households in need as a whole for that income category.

Table 1.4 shows the number and percentage of households with housing problems by income group and racial/ethnic group. According to the table, Hispanic renter households above 81 percent of median income and “Other” owner households at 31-50 percent, 51-80 percent, and 81-95 percent of median income all experience disproportionate need.

Table 1.4 also demonstrates that households in a particular income group generally experience housing problems at a roughly equivalent rate regardless of racial/ethnic category. It should be noted that Hispanic Renter Households tend to experience a slightly higher level of housing problems than the other racial/ethnic groups. The exception to this pattern is for the 31-50 percent income level at which all of the various racial/ethnic groups experience a relatively equal level of housing problems. Hispanic Owner Households experience a higher level of housing problems as compared to White, Black, and Two or More Races Owner Households at all income levels. The level of disproportionate need experienced by the “Other” Owner households exceeds that of the other racial/ethnic groups across all income levels.

**Table 1.4: Housing Problems by Racial/Ethnic Group - Texas, 2009**

Renter Households									
% of Median Income	Total	Total w/ 1+ Housing Problems	Total % w/ 1+ Housing Problems	Total	White w/ 1+ Housing Problems	White % w/ 1+ Housing Problems	Total	Black w/ 1+ Housing Problems	Black % w/ 1+ Housing Problems
0-30%	635,391	481,406	75.77%	226,958	166,142	73.20%	250,122	106,289	42.49%
31-50%	501,663	379,650	75.68%	196,467	147,302	74.98%	91,533	66,804	72.98%
51-80%	679,258	293,972	43.28%	315,491	129,811	41.15%	115,254	41,405	35.92%
81-95%	253,347	55,187	21.78%	140,536	23,591	16.79%	40,487	6,811	16.82%
Above 95%	997,163	120,312	12.07%	626,223	42,994	6.87%	116,941	14,454	12.36%
Total	3,066,822	1,330,527	43.38%	1,505,675	509,840	33.86%	614,338	235,763	38.38%

Owner households									
% of Median Income	Total	Total w/ 1+ Housing Problems	Total % w/ 1+ Housing Problems	Total	White w/ 1+ Housing Problems	White % w/ 1+ Housing Problems	Total	Black w/ 1+ Housing Problems	Black % w/ 1+ Housing Problems
0-30%	415,976	297,712	71.57%	200,683	140,710	70.12%	68,072	47,277	69.45%
31-50%	473,096	256,290	54.17%	247,501	122,474	49.48%	51,656	27,224	52.70%
51-80%	820,263	325,952	39.74%	463,427	160,745	34.69%	76,811	30,121	39.21%
81-95%	373,065	104,035	27.89%	246,226	61,077	24.81%	35,015	9,042	25.82%
Above 95%	3,377,190	327,777	9.71%	2,521,566	183,536	7.28%	214,417	21,765	10.15%
Total	5,459,590	1,311,765	24.03%	3,679,404	668,543	18.17%	445,970	135,429	30.37%

# Housing and Homeless Needs Assessment

## Categories of Persons Affected

### Renter Households

% of Median Income	Total	Hispanic w/ 1+ Housing Problems	Hispanic % w/ 1+ Housing Problems	Total	Other w/ 1+ Housing Problems	Other % w/ 1+ Housing Problems	Total	Two or More Races w/ 1+ Housing Problems	Two or More Races % w/ 1+ Housing Problems
0-30%	231,389	185,216	80.05%	23,661	16,812	71.05%	9,562	6,948	72.66%
31-50%	191,843	147,609	76.94%	15,116	12,583	83.25%	6,705	5,351	79.81%
51-80%	218,576	108,330	49.56%	20,341	10,357	50.92%	9,596	4,070	42.41%
81-95%	60,648	21,569	35.57%	8,087	2,530	31.29%	3,590	685	19.09%
Above 95%	197,085	52,504	26.64%	43,626	8,923	20.45%	13,287	1,436	10.81%
<b>Total</b>	<b>899,540</b>	<b>515,229</b>	<b>57.28%</b>	<b>110,831</b>	<b>51,205</b>	<b>46.20%</b>	<b>42,740</b>	<b>18,491</b>	<b>43.26%</b>

### Owner Households

% of Median Income	Total	Hispanic w/ 1+ Housing Problems	Hispanic % w/ 1+ Housing Problems	Total	Other w/ 1+ Housing Problems	Other % w/ 1+ Housing Problems	Total	Two or More Races w/ 1+ Housing Problems	Two or More Races % w/ 1+ Housing Problems
0-30%	135,199	100,599	74.41%	7,549	5,885	77.95%	4,472	3,241	72.48%
31-50%	162,311	98,573	60.73%	7,694	5,636	73.25%	3,934	2,383	60.57%
51-80%	255,886	121,290	47.40%	16,572	10,244	61.82%	7,568	3,553	46.95%
81-95%	79,230	28,379	35.82%	9,097	4,345	47.77%	3,497	1,190	34.03%
<b>Above 95%</b>	<b>527,755</b>	<b>102,485</b>	<b>19.42%</b>	<b>86,247</b>	<b>16,832</b>	<b>19.52%</b>	<b>27,205</b>	<b>3,159</b>	<b>11.61%</b>
<b>Total</b>	<b>1,160,380</b>	<b>451,326</b>	<b>38.89%</b>	<b>127,159</b>	<b>42,942</b>	<b>33.77%</b>	<b>46,676</b>	<b>13,526</b>	<b>28.98%</b>

Source: CHAS 2000 with projections based on HISTA data.

Looking at long-term demographic projections, it is clear that the demand for affordable and subsidized housing will increase in the coming years.

- The present state population of 20.9 million is expected to surge to 50.4 million by 2040.
- The Anglo population will account for only 3.9 percent of net population growth from 2000 to 2040, meaning that more than 96 percent of the total net increase in Texas population between 2000 and 2040 will be due to the non-Anglo population.
- Anglo population is expected to grow by 10.4 percent between 2000 and 2040, while blacks are expected to increase by 65.0 percent and Hispanics by 348.7 percent
- The population is becoming older: the median age will increase from 32.3 in 2000 to 38.3 in 2040. The percentage of the population that was 65 or older was 9.9 percent in 2000, but will increase to 20 percent by 2040.

Growth in the number of households, projected at 162.1 percent over the period 2000-2040, will outstrip population growth: 142.6 percent during the same period.

A correlation exists between income and age. According to the 2000 Census, 13.1 percent of Texans age 65 and older live below the poverty level. Lower incomes combined with rising healthcare costs contribute to the burden of paying for housing. Approximately 30 percent of all elderly households spend more than 30 percent of their income on housing, while 14 percent spend more than 50 percent

of their income on housing. These statistics take on new urgency when considered alongside the anticipated upsurge in the state's elderly population.

Not only will the demographics of the population be changing, but so will its needs. The faster growth in number of households than in total population is a reflection of the large number of non-Anglos who will enter household-formation ages during this time period. More young families mean an increased demand for housing.<sup>1</sup>

Housing demand projections are directly linked to projected changes in the demographic makeup of the future population. The bottom line is that the projections show faster population and household growth in segments that generally create the largest demand on the affordable and subsidized housing supply.

Table 1.5 shows the percentage of households in a particular income group, by racial/ethnic group. These numbers demonstrate that minority households are much more likely to have lower incomes than White households. Minority households are therefore much more likely to have housing problems than White households, since housing problems affect the lowest income households to a much greater degree than higher income households.

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<sup>1</sup> Murdock, S.H. et al. (2002, December). A summary of the Texas challenge in the Twenty-first century: implications of the population change for the future of Texas. College Station, TX: Department of Rural Sociology, TX A&M University.

## Housing and Homeless Needs Assessment

### Categories of Persons Affected

**Table 1.5: Households by Race/Ethnicity and Income Category – Texas, 2000**

Renter Households	Total	White	Black	Hispanic	Other	2+ Races
0-30%	21.0%	15.0%	28.3%	25.7%	21.6%	22.4%
31-50%	16.3%	13.2%	18.0%	21.3%	13.5%	15.7%
51-80%	22.0%	21.0%	22.7%	24.3%	17.8%	22.5%
81-95%	8.2%	9.3%	8.0%	6.7%	7.2%	8.4%
Above 95%	32.5%	41.5%	23.0%	22.0%	39.9%	31.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Owner Households	Total	White	Black	Hispanic	Other	2+ Races
0-30%	7.6%	5.5%	15.3%	11.7%	5.5%	9.6%
31-50%	8.7%	6.7%	11.6%	14.0%	5.6%	8.4%
51-80%	15.0%	12.6	17.2%	22.0%	12.7%	16.2%
81-95%	6.8%	6.7	7.9%	6.8%	7.2%	7.5%
Above 95%	61.9%	68.5	48.0%	45.5%	69.0%	58.3%
Total	100.0%	100	100.0%	100.0%	100.0%	100.0%

Source: Census 2000

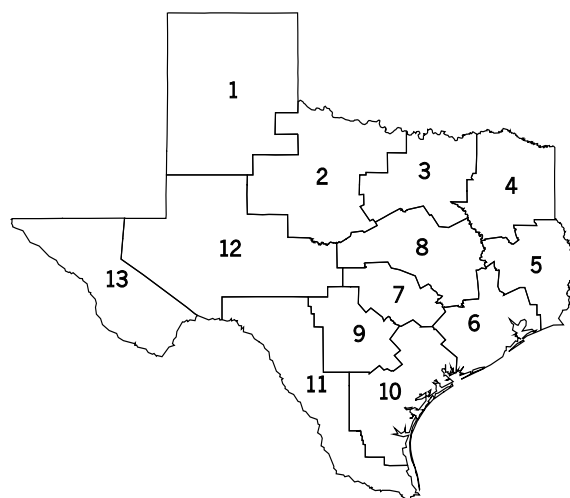
Please note that the 2000 CHAS data is a special tabulation of Census 2000 data not largely available through standard Census products. HUD analysis of the rounding rules applied to all CHAS data shows that tables with more cells (such as a large table at the Census Tract geography) when aggregated to the national level results in a national deflation of total population. However, for individual places and counties, sometimes it inflates or deflates.

## GENERAL REGIONAL HOUSING NEED CHARACTERISTICS

The following section provides an overview of the regional characteristics that most directly relate to the Department's allocation of funds on a statewide basis to the 13 state service regions.

### REGIONAL ALLOCATION FORMULA

The Texas Department of Housing and Community Affairs (TDHCA) uses a Regional Allocation Formula (RAF) to distribute its HOME Investment Partnerships (HOME) Program, Housing Trust Fund (HTF), and Housing Tax Credit (HTC) funding.<sup>2</sup> The 13 regions used for the RAF are shown in the diagram to the right. The RAF also determines how funding is allocated to rural and urban areas within each region. The RAF's funding distributions are based on objective measures of each region's affordable housing need and available resources to address this need. The RAF is legislatively required by Section 2306.111(d) of the Texas Government Code.



The first step in the RAF is to determine how the program funding would be distributed based solely on measures of regional need provided by US Census data. With the exception of the poverty numbers, the most relevant Census data is for households at or below 80 percent of the Area Median Family Income (AMFI). The following factors are used in the RAF to measure affordable housing need.

- **Poverty:** Number of persons in the region who live in poverty
  - **Extreme Cost Burden:** Units with a monthly gross housing expense to monthly household income ratio that exceeds 30 percent
  - **Overcrowded Units:** Units with more than one person per room
  - **Units with Incomplete Kitchen or Plumbing:** Units that are missing one of the following: a sink with piped water, a range or cook top and oven, refrigerator, hot and cold piped water, a flush toilet, or a bathtub or shower
- 1) Census need data is adjusted to current year levels by applying a growth factor based on the growth experienced since 2000.
  - 2) Each factor is assigned a weight based on its perceived value as a measure of affordable housing need (poverty = 50 percent, cost burden = 36 percent, overcrowding = 12 percent, and substandard housing = 2 percent). In general, the weights reflect the relative number of persons or households affected by the housing problem.
  - 3) Each measure's weight is multiplied by total amount of funding available under the RAF to determine the measure's funding amount.

<sup>2</sup> Slightly modified versions of the RAF are used for the HOME and HTF/HTC programs because they have different consumers, eligible activities, and geographical eligibility requirements.

## Housing and Homeless Needs Assessment

### General Regional Housing Need Characteristics

- 4) For each measure, the region's number of affected persons or households is divided by the state total to determine the percentage of the state's need that is present in the region.
- 5) Each region's percentage of state need is multiplied by the measure's funding amount.
- 6) Finally, the funding distributed by the measures is summed for each region to determine the region's total allocation. The resulting regional funding distribution provides an overall measure of each region's affordable housing need.

## CONSIDERATION OF AVAILABLE HOUSING RESOURCES

In addition to TDHCA, there are many other funding sources that address affordable housing need. Some of this funding, such as the HOME Investment Partnerships program, is distributed via allocation formulas that consider need. In contrast, multifamily tax exempt bond financing is allocated via a lottery process and is subject to economic feasibility issues that preclude regional distribution. To address any inherent regional funding inequities, the RAF analyzes the regional distribution of state and federal sources that provide rental housing assistance to households that are similar to those served by each program.

The allocation formula was developed to serve as a dynamic measure of need. As such, the formula will be updated annually to reflect the availability of more accurate demographic information and the need to assess and modify the formula based on its actual performance. As additional components of housing assistance may become relevant to the formula, the formula will continue to be open for public comment through the Department's public hearings. To assist persons interested in commenting on the actual funding distribution under the formula, such information will be provided annually in the State of Texas Low Income Housing Plan and Annual Report.

### POVERTY

According to the 2005-2007 American Community Survey, approximately 3,851,623 people in Texas, or 16.9 percent, were below the poverty level during that three-year period (see Table 16a). Texas experienced a higher poverty rate than the rest of the country; during the same time period, 13.3 percent of the population nationwide was below the poverty level. In Texas, the poverty rate is higher for children compared to the general population: 23.9 percent of Texans under 18 years of age were below the poverty level from 2005-2007.<sup>3</sup> Poverty can become a self-perpetuating cycle, creating barriers to education, health and financial stability.

**Table 1.6a: Annual Poverty Estimates - Texas, 2005-2007**

Annual Poverty Estimates	Total	Below Poverty Level	% Below Poverty Level
Population for whom poverty status is determined	22,765,577	3,851,623	16.9%
AGE			
Under 18 years	6,383,768	1,523,505	23.9%
Related children under 18 years	6,351,199	1,495,112	23.5%
18 to 64 years	14,156,829	2,051,614	14.5%
65 years and over	2,224,980	276,504	12.4%
GENDER			
Male	11,250,596	1,709,625	15.2%

<sup>3</sup> American Community Survey. (n.d.) 2005-2007 American community survey 3-year estimates, subject tables. Retrieved from [http://factfinder.census.gov/servlet/STGeoSearchByListServlet?ds\\_name=ACS\\_2007\\_3YR\\_G00\\_&\\_lang=en&\\_ts=269092501476](http://factfinder.census.gov/servlet/STGeoSearchByListServlet?ds_name=ACS_2007_3YR_G00_&_lang=en&_ts=269092501476).

## Housing and Homeless Needs Assessment

### General Regional Housing Need Characteristics

Annual Poverty Estimates	Total	Below Poverty Level	% Below Poverty Level
Female	11,514,981	2,141,998	18.6%

Source: 2005-2007 American Community Survey 3-Year Estimates

Minority populations continue to be overrepresented in the Texas population under the poverty level (see Table 16b). According to the 2005-2007 American Community Survey, during that three-year period the percent of Black or African American and Some Other Race populations under the poverty level are 24.5 to 24.7 percent, respectively. Other recorded races show a much lower poverty rate ranging from 14.6 percent to 18.5 percent. Similarly, the Hispanic population in poverty is 17.1 percent higher than white alone.<sup>4</sup>

**Table 1.6b: Annual Poverty Estimates by Race and Latino Origin – Texas, 2005-2007**

Race and Latino Origin	Total	Below Poverty Level	% Below Poverty Level
One race	22,362,438	3,784,926	16.9%
White	16,115,591	2,353,602	14.6%
Black or African American	2,549,607	624,653	24.5%
American Indian and Alaska Native	110,786	20,367	18.4%
Asian	762,509	90,176	11.8%
Native Hawaiian and Other Pacific Islander	15,967	2,960	18.5%
Some other race	2,807,978	693,168	24.7%
Two or more races	403,139	66,697	16.5%
Hispanic or Latino origin (of any race)	8,128,374	2,116,372	26.0%
White alone, not Hispanic or Latino	11,014,024	977,124	8.9%

Source: 2005-2007 American Community Survey 3-Year Estimates

Poverty along the Texas-Mexico border can be particularly acute. For example, take Hidalgo, Cameron and Starr Counties. From 2005-2007, their poverty rates were 37.5 percent, 37.1 percent and 41.4 percent, respectively.<sup>5</sup> Conditions are particularly acute in the colonias, unincorporated areas along the Texas-Mexico border lacking infrastructure and decent housing.

Many families who rely on these low-wage occupations for a living find it difficult to cover all essential expenses. According to a study by the Center for Public Policy Priorities, “a significant proportion of families throughout the state struggle paycheck-to-paycheck to make ends meet.” The study examined a typical family’s fundamental expenses, such as housing, food, child care, medical costs, transportation, taxes, etc., and compared the total bill to typical wages earned in the 27 Texas Metropolitan Statistical Areas. The study asserts that a family of four in Texas requires a household hourly income of \$18 to \$22 per hour (depending on the metro area in which the family lives) to simply

<sup>4</sup> American Community Survey. (n.d.) 2005-2007 American community survey 3-year estimates, subject tables. Retrieved from [http://factfinder.census.gov/servlet/STGeoSearchByListServlet?ds\\_name=ACS\\_2007\\_3YR\\_G00\\_&\\_lang=en&\\_ts=269092501476](http://factfinder.census.gov/servlet/STGeoSearchByListServlet?ds_name=ACS_2007_3YR_G00_&_lang=en&_ts=269092501476).

<sup>5</sup> American Community Survey. (n.d.) 2005-2007 American community survey 3-year estimates, subject tables. Retrieved from [http://factfinder.census.gov/servlet/STGeoSearchByListServlet?ds\\_name=ACS\\_2007\\_3YR\\_G00\\_&\\_lang=en&\\_ts=269092501476](http://factfinder.census.gov/servlet/STGeoSearchByListServlet?ds_name=ACS_2007_3YR_G00_&_lang=en&_ts=269092501476).

## ***Housing and Homeless Needs Assessment***

### ***General Regional Housing Need Characteristics***

meet its most basic needs. In a majority of Texas metro areas, however, half of the total employment is in occupations with a median wage under \$10 per hour.<sup>6</sup>

In addition, expected economic growth will not necessarily lift the lowest income groups. The Texas Comptroller's Biennial Revenue Estimate predicts that the fastest growing sector of the state economy for 2010-2011 will be the professional and business services. This sector was also the fastest growing in 2008-2009 and it requires specialized education and skills.<sup>7</sup> While this growth may buoy the state economy, it is unlikely to raise many low-income families, who may not have the necessary education or training, from their current positions.

The regions with the highest number of persons in poverty are Regions 3, 6, and 11 (see Table 1.7). The regions with the highest amount of poverty in the state are two of the Major Metropolitan Areas in Texas: Regions 3 with Dallas-Fort Worth-Arlington and Region 6 with Houston-Sugar Land-Baytown. When taken together, those two regions have a combined total of 43.3 percent of the poverty of the state.

**Table 1.7: Population and Poverty – Texas, 2009**

<b>Service Region</b>	<b>Persons in Poverty</b>	<b>Percent of State Poverty Totals</b>
1	141,440	3.9%
2	89,294	2.5%
3	676,991	18.9%
4	174,841	4.9%
5	138,673	3.9%
6	754,675	21.0%
7	166,819	4.7%
8	171,902	4.8%
9	307,186	8.6%
10	152,046	4.2%
11	523,671	14.6%
12	97,822	2.7%
13	189,890	5.3%
Grand Total	3,585,250	100.0%

Source: Census Poverty Estimates

### ***SUBSTANDARD HOUSING***

Regions 3, 6, and 11 have the highest number of units lacking facilities for households earning 0 to 80 percent AMFI (see Table 1.8). Regions 3 and 6 also have the highest number of units lacking facilities for households earning 80 to over 95 percent AMFI. These are also the two regions with the highest

<sup>6</sup> Center for Public Policy Priorities. (2002, September 1). Making it: what it really takes to live in Texas. Retrieved from <http://www.cppp.org/research.php?aid=120>.

<sup>7</sup> Texas Comptroller of Public Accounts. (2009, January). Biennial revenue estimate: 2010-2011. Retrieved from <http://www.window.state.tx.us/taxbud/bre2010/outlook.html>.



## ***Housing and Homeless Needs Assessment***

### ***General Regional Housing Need Characteristics***

numbers of households in poverty in the state (see Table 1.7 above). In contrast, Regions 2, 12 and 1, in that order, have the lowest number of units lacking facilities for households earning 0 to 80 percent AMFI.

## Housing and Homeless Needs Assessment

### General Regional Housing Need Characteristics

**Table 1.8: Number of Units Lacking Kitchen and/or Plumbing by Affordability Category – Texas, 2009**

Region	Total Units Lacking Kitchen and/or Plumbing	0% to 30% AMFI	31% to 50% AMFI	51% to 80% AMFI	80% to 95% AMFI	Over 95% AMFI
1	3,211	898	558	604	199	952
2	2,161	670	367	459	151	514
3	18,571	4,988	3,378	3,940	1,336	4,930
4	5,578	1,724	994	1,002	370	1,488
5	3,836	1,270	633	733	191	1,011
6	18,712	5,594	3,306	3,787	1,037	4,988
7	5,598	1,938	981	1,125	339	1,216
8	4,173	1,240	805	789	235	1,105
9	7,521	2,128	1,319	1,581	607	1,886
10	3,763	1,266	737	771	147	842
11	14,614	6,312	3,577	2,527	0	2,199
12	2,577	713	547	538	101	677
13	4,076	950	1,093	938	124	971
State	94,391	29,690	18,293	18,792	4,838	22,778

Source: CHAS Database with projections based on HISTA data.

### EXTREME AND SEVERE COST BURDEN

Table 1.9 shows the number of households with cost burden greater than 30 percent by income group. Table 1.10 shows the number of households with cost burden greater than 50 percent by income group.

Regions 3 and 6, in that order, have the highest number of households experiencing extreme and severe cost burden for all the income groups. In addition, Regions 7 and 9 have the third and fourth highest numbers of households experiencing extreme and severe cost burden for all income groups. These regions represent the four largest Major Metropolitan Areas in Texas: Dallas-Fort Worth-Arlington, Houston-Sugar Land-Baytown, San Antonio, and Austin-Round Rock.

**Table 1.9: Number of Households with Extreme Cost Burden by Income Group – Texas, 2009**

Region	Total Households with Extreme Cost Burden	0% to 30% AMFI	31% to 50% AMFI	51% to 80% AMFI	81% to 95% AMFI	Over 95% AMFI
1	67,159	25,939	18,689	13,818	2,730	5,982
2	44,820	16,401	13,389	8,732	2,075	4,223
3	483,443	148,173	124,704	118,320	29,094	63,152
4	87,846	31,977	23,560	18,322	4,865	9,123
5	62,016	25,949	16,662	11,413	2,581	5,412
6	392,181	133,623	104,552	83,584	20,976	49,445
7	143,360	44,925	36,217	36,747	8,972	16,499
8	90,612	34,211	23,462	19,895	4,810	8,233
9	153,507	47,556	38,733	36,371	9,494	21,352
10	59,191	20,620	15,872	12,697	2,988	7,014
11	78,562	33,079	20,702	14,090	72	10,619
12	40,053	14,994	11,375	7,894	1,849	3,942
13	55,856	17,463	14,981	13,699	1,587	8,126
State	1,758,605	594,909	462,899	395,582	92,093	213,123

Source: CHAS Database with projections based on HISTA data.

**Table 1.10: Number of Households with Severe Cost Burden by Income Group – Texas, 2009**

Region	Total Households with Severe Cost Burden	0% to 30% AMFI	31% to 50% AMFI	51% to 80% AMFI	81% to 95% AMFI	Over 95% AMFI
1	31,060	20,178	7,025	2,634	475	749
2	19,059	11,835	4,461	1,719	362	682
3	193,025	116,983	43,950	20,828	4,101	7,165
4	39,273	23,477	9,045	4,593	913	1,244
5	29,392	19,798	6,134	2,416	472	572
6	175,655	111,545	38,119	16,329	3,175	6,487
7	60,921	37,614	13,924	6,327	1,165	1,891
8	42,957	27,940	9,676	3,697	779	865
9	61,387	36,387	14,506	6,806	1,432	2,256
10	24,849	14,955	6,041	2,552	385	917
11	34,469	21,903	7,979	3,113	23	1,451
12	17,179	10,866	3,999	1,728	232	353
13	23,710	13,166	6,212	2,935	251	1,145
State	752,935	466,647	171,071	75,677	13,764	25,776

Source: CHAS Database with projections based on HISTA data.

### OVERCROWDED HOUSEHOLDS

Table 1.11 shows the number of overcrowded owner households by income group. Regions 3, 6, 11 and 9, in that order, have the highest number of overcrowded households for income levels 0 to 80 percent AMFI. With two exceptions, the most populous regions in the state have the highest number of overcrowded households. Those exceptions are Region 10, which is the seventh most populated region, has the eighth highest number of overcrowded households, and Region 8, which is the eighth most populated region, has the seventh highest number of overcrowded households.

**Table 1.11: Number of Overcrowded Households by Income Group – Texas, 2009**

Region	Total Overcrowded Households	0% to 30% AMFI	31% to 50% AMFI	51% to 80% AMFI	81% to 95% AMFI	Over 95% AMFI
1	21,299	3,374	3,735	5,747	1,834	6,609
2	9,466	1,470	1,440	2,691	835	3,030
3	197,622	36,717	39,975	53,458	18,337	49,135
4	21,963	3,657	3,640	5,408	2,289	6,969
5	17,638	3,350	2,548	3,968	1,701	6,071
6	211,054	42,404	43,848	55,539	18,379	50,883
7	40,130	7,442	8,194	10,520	3,857	10,118
8	24,473	4,191	3,775	6,648	2,324	7,535
9	62,420	11,431	11,807	15,974	5,975	17,233
10	24,509	4,937	4,226	5,396	1,885	8,065
11	91,741	22,709	19,440	21,140	12	28,441
12	14,556	2,466	2,483	4,119	1,347	4,141
13	33,316	6,337	6,630	7,773	1,356	11,221
State	770,185	150,483	151,741	198,381	60,130	209,450

Source: CHAS Database with projections based on HISTA data.

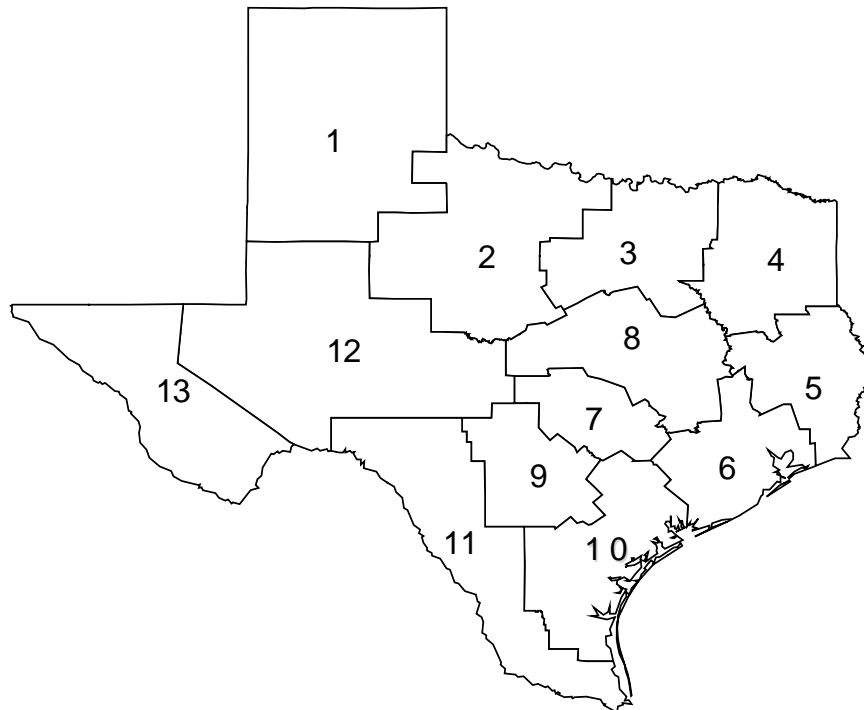
## ***Housing and Homeless Needs Assessment***

### *Specific Regional Housing Need Characteristics*

## **SPECIFIC REGIONAL HOUSING NEED CHARACTERISTICS**

The Department uses 13 Uniform State Service Regions for research and planning purposes. These regions follow the Texas Comptroller of Public Accounts' grouping that creates 13 regions to identify the unique characteristics of the border counties and to treat larger metropolitan areas as distinct regions. The Uniform State Service Regions are shown below.

**Uniform State Service Regions**



For 2009, the most populous regions of the state are Regions 3 and 6, together representing over 51 percent of the state. Regions 3, 6, 7, and 11 are the fastest growing areas as indicated by population estimates.

## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

**Table 1.12: Population by Region**

<b>Service Region</b>	<b>Population 2000 Census</b>	<b>Population Estimated Jan 1, 2009</b>	<b>Percent of State's Population in 2009</b>
1	768,196	883,425	3.7%
2	537,611	618,253	2.6%
3	5,435,416	6,250,728	26.4%
4	995,930	1,145,320	4.8%
5	795,160	914,434	3.9%
6	4,815,528	5,537,857	23.4%
7	1,333,017	1,532,970	6.5%
8	947,685	1,089,838	4.6%
9	1,784,546	2,052,228	8.7%
10	617,128	709,697	3.0%
11	1,368,670	1,573,971	6.6%
12	517,177	594,754	2.5%
13	697,816	802,488	3.4%
State	20,613,880	23,705,962	100.0%

Source: CHAS Database with projections based on HISTA data.

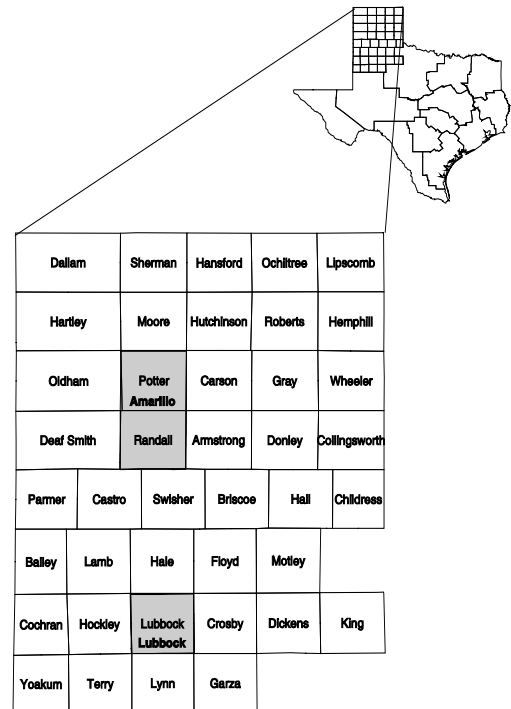
While the previous section provided a comparative analysis of the service regions, this section provides a more detailed assessment of specific regional characteristics. Motivating this region-specific profile is a desire to more appropriately match specific programs to geographically defined needs.

# Housing and Homeless Needs Assessment

## Specific Regional Housing Need Characteristics

### REGION 1

This 41-county region in the northwest corner of Texas encompasses over 39,500 square miles of the Panhandle. HISTA data projects that in 2009 the total population in Region 1 is 883,425, representing a 4.3 percent increase from 2000. Slightly less than 48 percent of the population lived in the urban areas, including Amarillo and Lubbock, and the rest live in rural areas of the region. The figure to the side shows Region 1 with the metropolitan statistical areas shaded.



Of the occupied housing units in the region, 66.3 percent are owner occupied and 33.7 percent are occupied by renters, according to 2000 Census data.

According to TDHCA's 2006 Community Needs Survey data for Region 1, the two greatest general needs as ranked by survey respondents were energy assistance with 36 percent of total respondents and housing assistance with 28 percent of total respondents. Of the remaining respondents, 24 percent indicated that the development of apartments was the priority need, 13 percent indicated that capacity building assistance was the priority need and only 6 percent indicated that homeless assistance was the priority need.

### Need Indicators

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

### Housing Need

The most recent Census poverty estimate data for 2009 shows that 141,440 people in the region live in poverty. Almost 39 percent of the 67,159 households with extreme housing cost burden (paying more than 30 percent of income towards housing costs) earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent 28 percent of the households with extreme housing cost burden. Only 21 percent of the households with extreme cost burden are low income and 4 percent are moderate income and above.

In Region 1 there are 3,211 households that lack kitchen and/or plumbing facilities. Twenty-eight percent earn under 30 percent of the area median income, 17 percent earn between 31 and 50 percent, and 19 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of the area median income. Of the 21,299

## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

overcrowded renter households, 16 percent are extremely low income, 18 percent are very low income, another 27 percent are low income, and the rest of the overcrowded households are moderate income and above.

Regarding rental development in the Community Needs Survey in Region 1, 43 percent of respondents indicated that the construction of new rental units was their community's greatest need, followed by 34 percent of respondents who indicated that the need for construction and rehabilitation of rental units was equal.

For the Community Needs Survey in Region 1, when considering housing assistance as a category, almost 40 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 25 percent.

#### Community Services Need

Region 1 has 3.5 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey in Region 1, 41 percent of respondents indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 39 percent.

#### Housing Supply

According to the most recent US Census, 89 percent of the housing units in the region are occupied. Of the total housing stock, almost 75 percent are one unit; 15.9 percent are over two units; and the rest are mobile homes, boats, and RVs.

The following table shows the number of total multifamily units in the region financed through state and federal sources such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs which includes the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

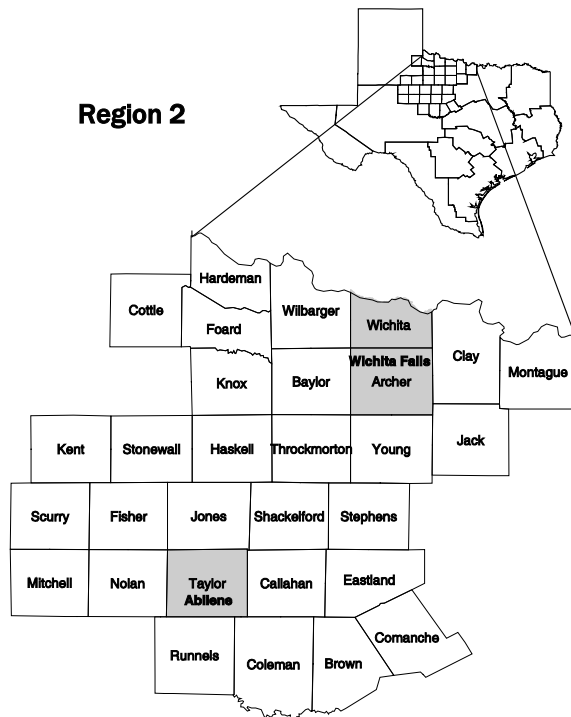
**Region 1 Assisted Multifamily Units**

Multifamily Units	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,114	29.7%	2.6%
HUD Units	3,451	20.0%	3.4%
PHA Units	1,304	7.6%	2.4%
Section 8 Vouchers	5,679	33.0%	3.9%
USDA Units	1,676	9.7%	6.3%
HFC Units*	1,789		
Total	17,224	100.0%	3.3%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# Housing and Homeless Needs Assessment

## Specific Regional Housing Need Characteristics



### REGION 2

Region 2 surrounds the metropolitan areas of Wichita Falls and Abilene, shaded in the figure to the left. The region has a majority rural population at 59 percent. HISTA data projects that a total of 618,253 people, or 2.6 percent of the state's population, live in the area in 2009.

According to the 2000 Census, 69.1 percent of the occupied housing units in the region are owner occupied and 30.9 percent are occupied by renters.

According to TDHCA's 2006 Community Needs Survey data for Region 2, the two greatest general needs as ranked by survey respondents were energy assistance with 33 percent of total respondents and housing assistance with 29 percent of total respondents. Of the remaining respondents, approximately 21 percent indicated that the

development of apartments was the priority need, 14 percent indicated that capacity building assistance was the priority need and 14 percent indicated that homeless assistance was the priority need.

### Need Indicators

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

### Housing Need

The most recent Census population estimate the poverty rate for Region 2 is 15 percent, representing 89,294 people. More than 37 percent of the 16,401 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent almost 30 percent of the households with extreme housing cost burden. Approximately 19 percent of the households are low income and 5 percent are moderate income and above.

In Region 2, 2,161 households lack kitchen and/or plumbing facilities. More than 31 percent of them earn under 30 percent of the area median income, 17 percent of the households earn between 31 and 50 percent, and 21 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of the area median income. Of the 9,466 overcrowded households, more than 16 percent are extremely low income, 15 percent are very low income, another 28 percent are low income, and the rest of the overcrowded households are moderate income and above.



## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

Regarding rental development in the Community Needs Survey for Region 2, 40 percent of respondents indicated that the construction of new rental units was their community's greatest need, followed by 28 percent of respondents who indicated that the need for construction and rehabilitation was the same.

When considering housing assistance as a category in the Community Needs Survey for Region 2, 54 percent of respondents indicated that home repair assistance was the greatest need, followed homebuyer assistance with 23 percent.

#### Community Services Need

Region 2 has 2.2 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 2, weatherization and minor home repairs tied with utility assistance as the greatest needs, each with 47 percent of respondents.

#### Housing Supply

According to the most recent US Census, 84 percent of the housing units in the region are occupied. Of the total housing stock, almost 77 percent are one unit; 12 percent are over two units; and the rest are mobile homes, boats, and RVs.

The following table shows the number of total multifamily units in the region financed through state and federal sources such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 2 Assisted Multifamily Units**

Assisted Multifamily Units	Region Total	Percent in Region	Percent of State Total
TDHCA Units	3,158	24.1%	1.6%
HUD Units	1,979	15.1%	1.9%
PHA Units	3,026	23.1%	5.5%
Section 8 Vouchers	3,009	23.0%	2.1%
USDA Units	1,925	14.7%	7.3%
HFC Units*	280		
Total	13,097	100.0%	2.5%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## ***Housing and Homeless Needs Assessment***

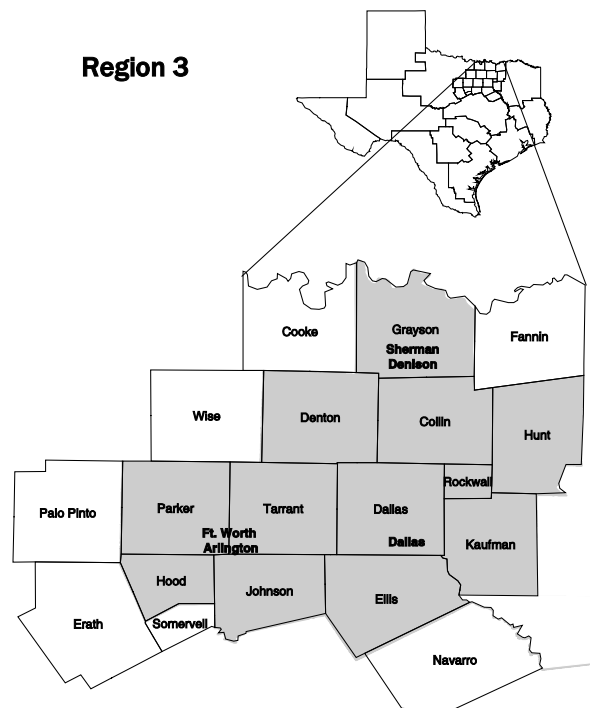
### ***Specific Regional Housing Need Characteristics***

#### **REGION 3**

Region 3, including the metropolitan areas of Dallas, Fort Worth, Arlington, Sherman, and Denison, is the state's most populous region. HISTA data projects that in 2009 6,250,728 people live in the region. This region makes up 26.4 percent of the state's total population.

According to the 2000 Census, 60.9 percent of the occupied housing units in the region are owner occupied and 39.1 percent are occupied by renters. Region 3 has the second highest rate of renter-occupied housing.

According to TDHCA's 2006 Community Needs Survey data for Region 3, the two greatest general needs as ranked by survey respondents were housing assistance with 51 percent of total respondents and energy assistance with 29 percent of total respondents. Of the remaining respondents, approximately 6 percent indicated that capacity building assistance was the priority need, 5 percent of respondents indicated that the development of apartments was the priority need and only 2 percent indicated that homeless assistance was the priority need.



#### ***Need Indicators***

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

#### ***Housing Need***

The poverty rate according to the 2009 Census population estimate is 18.9 percent, representing 676,991 people. More than 31 percent of the 483,443 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent 26 percent of the households with extreme housing cost burden. Approximately 24 percent of the households are low income and the rest are moderate income and above.

In Region 3, 18,571 households lack kitchen and/or plumbing facilities, which is 24 percent of the state's total. Approximately 27 percent earn less than 30 percent of the area median income, almost 18 percent of the households earn between 31 and 50 percent, and 21 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of the area median income. Of the 197,622 overcrowded households, almost 19 percent are extremely

## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

low income, 20 percent are very low income, another 27 percent are low income, and the rest of the overcrowded households are moderate income and above.

Regarding rental development in the Community Needs Survey for Region 3, 26 percent indicated that the need for construction and rehabilitation was approximately the same, followed by 25 percent of respondents who indicated that the rehabilitation of existing rental units was the greatest need, independent of construction of rental units.

When considering housing assistance as a category in the Community Needs Survey for Region 3, 52 percent indicated that home repair assistance was the greatest need, followed by a three-way tie between homebuyer assistance, rental subsidies and minimal need for housing assistance each with 14 percent of respondents.

### Community Services Need

Region 3 has 21.4 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 3, 39 percent of respondents indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 37 percent.

### Housing Supply

According to the most recent US Census, 93.7 percent of the housing units in the region are occupied; this is the highest occupancy rate among all of the regions. Of the total housing stock, 64 percent are one unit; 30 percent are over two units; and the rest are mobile homes and boats.

The following table shows the number of total multifamily units in the region financed through state and federal sources such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA, and local HFCs including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 3 Multifamily Assisted Units**

Assisted Multifamily Units	Region Total	Percent in Region	Percent of State Total
TDHCA Units	60,078	41.6%	30.5%
HUD Units	28,032	19.4%	27.4%
PHA Units	8,485	5.9%	15.4%
Section 8 Vouchers	43,833	30.3%	30.1%
USDA Units	4,076	2.8%	15.4%
HFC Units*	20,892		
Total	144,504	100.0%	27.5%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## ***Housing and Homeless Needs Assessment***

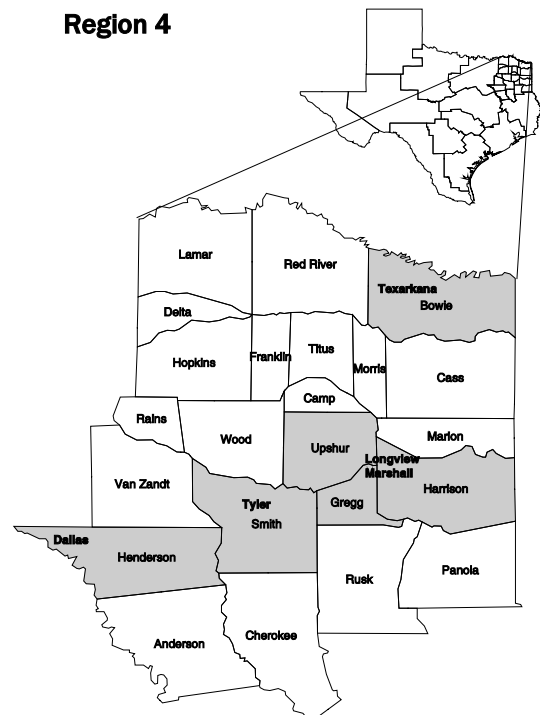
### *Specific Regional Housing Need Characteristics*

#### **REGION 4**

Region 4, located in the northeast corner of the state, surrounds the urban areas of Texarkana, Longview-Marshall, and Tyler. According to HISTA population projections for 2009, 4.8 percent of the state's population lives in Region 4. This consists of 1,145,320 people. Region 4 has the highest percentage of rural population in the state at 77.5 percent.

According to the 2000 Census, 73.8 percent of the occupied housing units are owner occupied and 26.2 percent are occupied by renters. Region 4 has the highest rate of owner-occupied housing among the Uniform State Service Regions.

According to TDHCA's 2006 Community Needs Survey data for Region 4, the two greatest general needs as ranked by survey respondents were housing assistance with 47 percent of total respondents and energy assistance with 26 percent of total respondents. Of the remaining respondents, approximately 15 percent indicated that the development of apartments was the priority need and 10 percent indicated that capacity building assistance was the priority need. No respondents indicated that homeless assistance was their community's priority need.



#### ***Need Indicators***

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

#### ***Housing Need***

The poverty rate according to the 2009 Census population estimate is 4.9 percent, representing 174,841 people. Thirty six percent of the 87,846 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent 27 percent of the households with extreme housing cost burden. Approximately 21 percent of the households are low income and the remainder are moderate income and above.

In the region, 5,578 households lack kitchen and/or plumbing facilities; this is 6 percent of the state's total. Approximately 31 percent earn less than 30 percent of the area median income; 18 percent of the households earn between 31 and 50 percent; and 18 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn over 80 percent of the area median income. Of the 21,963 overcrowded households, 17 percent are extremely low income, 17

## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

percent are very low income, another 25 percent are low income, and the rest of the overcrowded households are moderate income and above.

Regarding rental development in the Community Needs Survey for Region 4, 34 percent indicated that the need for construction and rehabilitation was the same, followed by 33 percent of respondents who indicated that construction of new units without rehabilitation was the greatest need.

When considering housing assistance as a category in the Community Needs Survey, 53 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 28 percent.

#### Community Services Need

Region 4 has 4.3 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 4, 41 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 40 percent.

#### Housing Supply

According to the most recent US Census, 87.5 percent of the housing units in the region are occupied. Of the total housing stock, 71 percent are one unit; 11 percent are over two units; and the rest are mobile homes, boats, and RVs.

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 4 Assisted Multifamily Units**

Assisted Multifamily Units	Region Total	Percent In Region	Percent of State Total
TDHCA Units	5,700	26.6%	2.9%
HUD Units	3,577	16.7%	3.5%
PHA Units	2,252	10.5%	4.1%
Section 8 Vouchers	5,988	28.0%	4.1%
USDA Units	3,872	18.1%	14.6%
HFC Units*	1,336		
Total	21,389	100.0%	4.1%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## ***Housing and Homeless Needs Assessment***

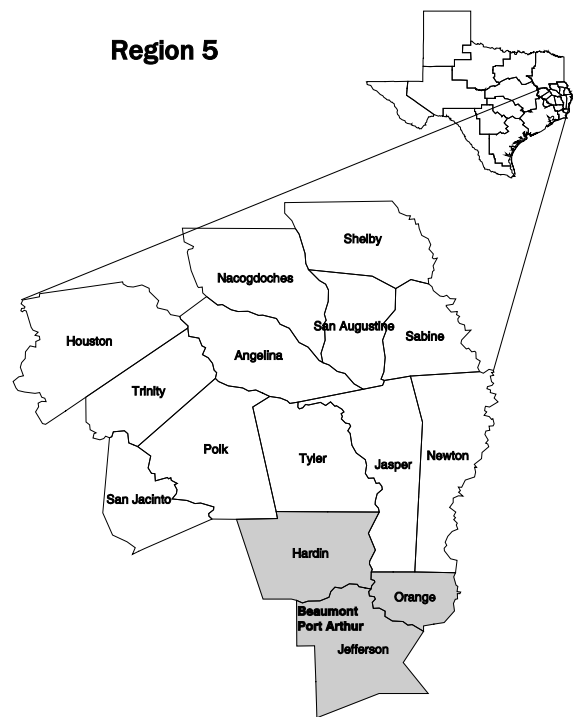
### *Specific Regional Housing Need Characteristics*

#### **REGION 5**

Region 5 encompasses a 15-county area in east Texas including the urban areas of Beaumont and Port Arthur. According to HISTA population projections for 2009, 914,434 people live in the region. Most of the population lives in rural areas: over 70 percent. Population estimates through 2009 show that 3.9 percent of the state's population lives in this region.

According to the 2000 Census, 73.4 percent of the occupied housing units in the region are owner occupied and the rest are occupied by renters.

According to TDHCA's 2006 Community Needs Survey data for Region 5, the two greatest general needs as ranked by survey respondents were housing assistance with 68 percent of total respondents and development of apartments with 17 percent of total respondents. Of the remaining respondents, approximately 13 percent indicated that energy assistance was the priority need, 11 percent indicated that capacity building assistance was the priority need and 8 percent indicated that homeless assistance was the priority need.



#### ***Need Indicators***

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

#### ***Housing Need***

The poverty rate according to the 2009 Census population estimate is approximately 17.1 percent, higher than the state rate of 15.4 percent. More than 42 percent of the 62,016 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent 27 percent of the households with extreme housing cost burden. Approximately 18 percent of the households are low income and remainder are moderate income and above.

In the region, 3,836 households lack kitchen and/or plumbing facilities; this is 4 percent of the state's total. Approximately 33 percent earn less than 30 percent of the area median income, more than 16 percent of the households earn between 31 and 50 percent, and 19 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of the area median income. Of the 17,638 overcrowded households, 19 percent are extremely low income, 14 percent are very low income, another 22 percent are low income, and the rest of the overcrowded households are moderate income and above.

## *Housing and Homeless Needs Assessment*

### *Specific Regional Housing Need Characteristics*

Regarding rental development in Community Needs Survey for Region 5, 54 percent indicated that the need for construction and rehabilitation was the same, followed by 30 percent of respondents who indicated that construction of new units, separate from rehabilitation, was the greatest need.

When considering housing assistance as a category in the Community Needs Survey for Region 5, 49 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 27 percent.

#### **Community Services Need**

Region 5 has 3.6 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 5, 44 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs at 40 percent.

#### **Housing Supply**

According to the most recent US Census, 84.7 percent of the housing units in the region are occupied. Of the total housing stock, 69.3 percent are one unit, 11 percent are over two units, and 18.6 percent are mobile homes. Boats and RVs make up the rest of the housing stock.

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

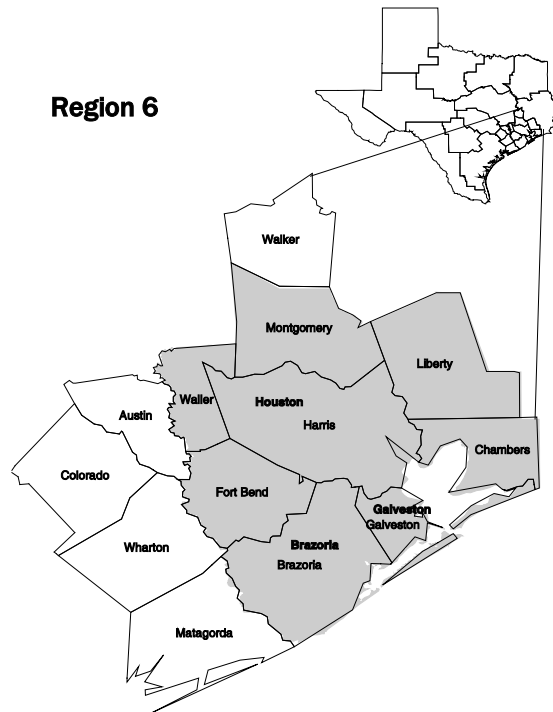
**Region 5 Assisted Multifamily Units**

<b>Assisted Multifamily Units</b>	<b>Region Total</b>	<b>Percent in Region</b>	<b>Percent of State Total</b>
TDHCA Units	5,869	27.4%	3.0%
HUD Units	4,134	19.3%	4.0%
PHA Units	2,368	11.1%	4.3%
Section 8 Vouchers	7,598	35.5%	5.2%
USDA Units	1,443	6.7%	5.5%
HFC Units*	1,160		
<b>Total</b>	<b>21,412</b>	<b>100.0%</b>	<b>4.1%</b>

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# Housing and Homeless Needs Assessment

## Specific Regional Housing Need Characteristics



### REGION 6

Region 6 includes the urban areas of Houston, Brazoria, and Galveston. According to HISTA population projections for 2009, 5,537,857 people live in the region. Over 66 percent of the population lives in urban areas. Population estimates through 2009 show that 23.4 percent of the state's population lives in this region.

According to the 2000 Census, 60.9 percent of the occupied units are owner occupied and the rest are occupied by renters.

According to TDHCA's 2006 Community Needs Survey data for Region 6, the two greatest general needs as ranked by survey respondents were housing assistance with 73 percent of total respondents and development of apartments with 14 percent of total respondents. Of the remainder of the respondents, approximately 7

percent indicated that energy assistance was the priority need and 6 percent indicated that capacity building assistance was the priority need. No respondents indicated that homeless assistance was their community's priority need.

### Need Indicators

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

### Housing Need

The poverty rate according to the 2009 Census population estimate is 21 percent. Approximately 34 percent of the 392,181 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent 27 percent of the households with extreme housing cost burden. Approximately 21 percent of the households are low income and the remainder percent are moderate income and above.

In the region, 18,712 households lack kitchen and/or plumbing facilities; this is 24 percent of the state's total. Approximately 30 percent earn less than 30 percent of the area median income; 18 percent of the households earn between 31 and 50 percent; and 20 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of the area median income. Of the 211,054 overcrowded households, 20 percent are extremely low income, approximately 21 percent are very low income, another 26 percent are low income, and the rest of the overcrowded households are moderate income and above.



## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

Regarding rental development in the Community Needs Survey for Region 6, 31 percent indicated that the need for construction and rehabilitation was the same, followed by a tie between a need for the construction of new units alone and a minimal need for rental assistance with 21 percent of respondents each.

When considering housing assistance in the Community Needs Survey for Region 6, 46 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 33 percent.

#### Community Services Need

Region 6 has 21.9 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 6, 39 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 37 percent.

#### Housing Supply

According to the most recent US Census, 91.9 percent are of the housing units in the region are occupied. Of the total housing stock, 71 percent are one unit; 18 percent are over two units; and the rest are mobile homes, RVs, and boats.

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 6 Assisted Multifamily Units**

Assisted Multifamily Units	Region Total	Percent In Region	Percent of State Total
TDHCA Units	54,209	48.4%	27.5%
HUD Units	27,284	24.4%	26.7%
PHA Units	5,138	4.6%	9.3%
Section 8 Vouchers	21,884	19.5%	15.0%
USDA Units	3,484	3.1%	13.2%
HFC Units*	39,127		
Total	111,999	100.0%	21.3%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## ***Housing and Homeless Needs Assessment***

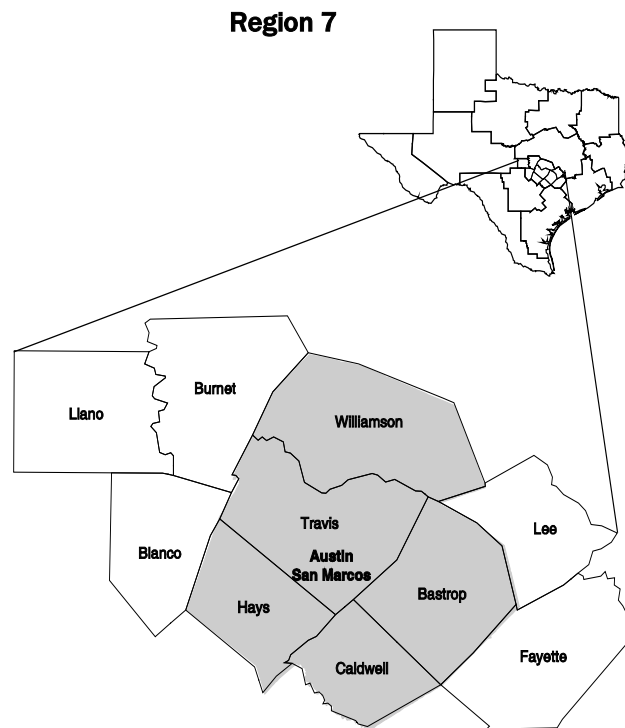
### ***Specific Regional Housing Need Characteristics***

#### ***REGION 7***

The urban area of Austin-San Marcos is at the center of Region 7. According to HISTA population projections for 2009, 1,532,970 people live in the region. Over 68 percent of the population lives in urban areas. Population estimates through 2009 show that 6.5 percent of the state's population lives in this region.

According to the 2000 Census, 60 percent of occupied housing units are owner occupied and the rest are occupied by renters.

According to TDHCA's 2006 Community Needs Survey data for Region 7, the two greatest general needs as ranked by survey respondents were development of apartments with 32 percent of total respondents and housing assistance with 27 percent of total respondents. Of the remaining respondents, approximately 21 percent indicated that capacity building was the priority need and 14 percent indicated that energy assistance was the priority need. No respondents indicated that homeless assistance was their community's priority need.



#### ***Need Indicators***

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

#### ***Housing Need***

The poverty rate according to the 2009 Census population estimate is 11 percent. Approximately 31 percent of the 143,360 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent about 25 percent of the households with extreme housing cost burden. Twenty-six percent of the households are low income and the remainder are moderate income and above.

In the region, 5,598 households lack kitchen and/or plumbing facilities; this is 8 percent of the state's total. Approximately 35 percent earn less than 30 percent of the area median income, 18 percent of the households earn between 31 and 50 percent, and another 20 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of the area median income. Of the 40,130 overcrowded households, 19 percent are extremely low income, 20

## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

percent are very low income, another 26 percent are low income, and the rest of the overcrowded households are moderate income and above.

Regarding rental development in the Community Needs Survey for Region 7, 45 percent indicated that their community's greatest need was the construction of new rental units, followed by 38 percent of respondents who indicated that the need for construction and rehabilitation was the same.

When considering housing assistance as a category in the Community Needs Survey for Region 7, 34 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 28 percent.

#### Community Services Need

Region 7 has 5.4 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 7, 38 percent indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 34 percent.

#### Housing Supply

According to the most recent US Census, 93.5 percent of the housing units in the region are occupied. Of the total housing stock, 62 percent are one unit, 30 percent are over two units, and the rest are mobile homes, boats.

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

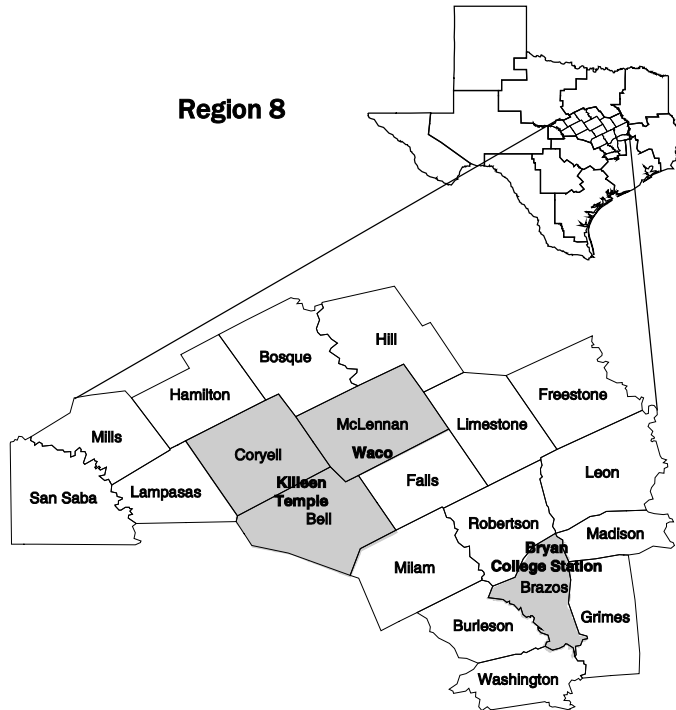
**Region 7 Assisted Multifamily Units**

Assisted Multifamily Units	Region Total	Percent In Region	Percent of State Total
TDHCA Units	17,267	48.9%	8.8%
HUD Units	5,032	14.2%	4.9%
PHA Units	3,506	9.9%	6.4%
Section 8 Vouchers	8,053	22.8%	5.5%
USDA Units	1,477	4.2%	5.6%
HFC Units*	8,276		
Total	35,335	100.0%	6.7%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# Housing and Homeless Needs Assessment

## Specific Regional Housing Need Characteristics



### REGION 8

Region 8, located in the center of the state, surrounds the urban areas of Waco, Bryan, College Station, Killeen, and Temple. According to HISTA population projections for 2009, 1,089,838 people live in the region. Over 55 percent of the population lives in urban areas. Population estimates through 2009 show that 4.6 percent of the state's population lives in this region.

According to the 2000 Census, 61 percent of the occupied units are owner occupied and the rest are occupied by renters.

According to TDHCA's 2006 Community Needs Survey data for Region 8, the two greatest general needs as ranked by survey respondents were housing assistance with

28 percent of total respondents and energy assistance with 21 percent of total respondents. Of the remaining respondents, approximately 18 indicated that capacity building was the priority need, 18 percent indicated that the development of apartments was the priority need and 10 percent indicated that homeless assistance was the priority need.

### Need Indicators

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

### Housing Need

The poverty rate according to the 2009 Census population estimate is 4.8 percent. Approximately 38 percent of the 90,612 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent 26 percent of the households with extreme housing cost burden. Approximately 22 percent of the households are low income and the remainder are moderate income and above.

In the region, 4,173 households lack kitchen and/or plumbing facilities; this is 5 percent of the state's total. Approximately 30 percent earn less than 30 percent of the area median income, more than 19 percent of the households earn between 31 and 50 percent, and 19 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of the area median income. Of the 24,473 overcrowded households, 17 percent are extremely low income,

## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

15 percent are very low income, another 27 percent are low income, and the rest of the overcrowded households are moderate income and above.

Regarding rental development in the Community Needs Survey for Region 8, 40 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 20 percent respondents who indicated that there was a minimal need for rental development.

When considering housing assistance as a category in the Community Needs Survey for Region 8, 48 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 23 percent.

#### Community Services Need

Region 8 has 4.7 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 8, 60 percent of respondents indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 34 percent.

#### Housing Supply

According to the most recent US Census 88.9 percent of the total housing units in the region are occupied. Of the total housing stock, 67 percent are one unit, 20 percent are over two units, 12 percent are mobile homes, and the rest are boats and RVs.

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 8 Assisted Multifamily Units**

Assisted Multifamily Units	Region Total	Percent In Region	Percent of State Total
TDHCA Units	6,341	26.7%	3.2%
HUD Units	4,178	17.6%	4.1%
PHA Units	2,780	11.7%	5.0%
Section 8 Vouchers	7,621	32.1%	5.2%
USDA Units	2,820	11.9%	10.7%
HFC Units*	404		
Total	23,740	100.0%	4.5%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## Housing and Homeless Needs Assessment

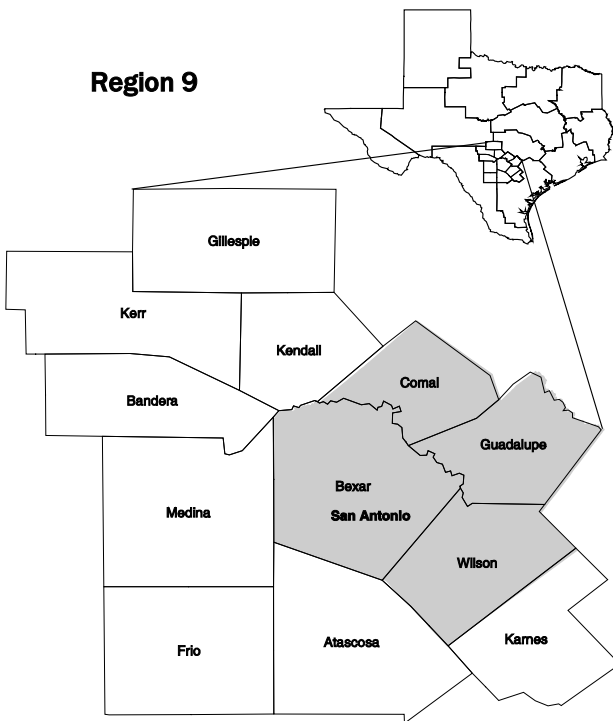
### Specific Regional Housing Need Characteristics

#### REGION 9

San Antonio is the main metropolitan area in Region 9. According to HISTA population projections for 2009, 2,052,228 people live in the region, 73 percent in urban areas. Population estimates through 2009 show that 8.7 percent of the state's population lives in this region.

According to the 2000 Census, 65 percent of the occupied units are owner occupied and the rest are occupied by renters.

According to TDHCA's 2006 Community Needs Survey data for Region 9, the two greatest general needs as ranked by survey respondents were housing assistance with 28 percent of total respondents and energy assistance with 21 percent of total respondents. Of the remaining respondents, approximately 18 percent of respondents indicated that the development of apartments was the priority need, 18 percent indicated that capacity building was the priority need and 10 percent indicated that homeless assistance was the priority need.



#### Need Indicators

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

#### Housing Need

According to the 2009 Census population estimate, there are 307,186 people that live in poverty in the region, a poverty rate of 14.9 percent. Approximately 31 percent of the 153,507 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent 25 percent of the households with extreme housing cost burden. Approximately 24 percent of the households are low income and the remainder are moderate income and above.

In the region, 7,521 households lack kitchen and/or plumbing facilities; this is 9 percent of the state's total. Approximately 28 percent earn less than 30 percent of the area median income, more than 18 percent of the households earn between 31 and 50 percent, and 21 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of the area median income. Of the 62,420 overcrowded households, 18 percent are extremely low income, 19 percent are very low income, another 26 percent are low income, and the rest of the overcrowded households are moderate income and above.

## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

Regarding rental development activities in the Community Needs Survey for Region 9, 34 percent indicated that the need for construction and rehabilitation was the same, followed by a three way tie between construction of new units alone, minimal need for rental development and no opinion about rental units with 18 percent each.

When considering housing assistance as a category in the Community Needs Survey for Region 9, 53 percent indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 29 percent.

#### Community Services Need

Region 9 has 8.3 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 9, 41 percent indicated that weatherization and minor home repairs was the greatest need, followed by utility assistance with 29 percent.

#### Housing Supply

According to the most recent US Census, 92.3 percent of the housing units in the region are occupied. Of the total housing stock, 69 percent are one unit, 22 percent are over two units, 8 percent are mobile homes, and the rest are boats and RVs.

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

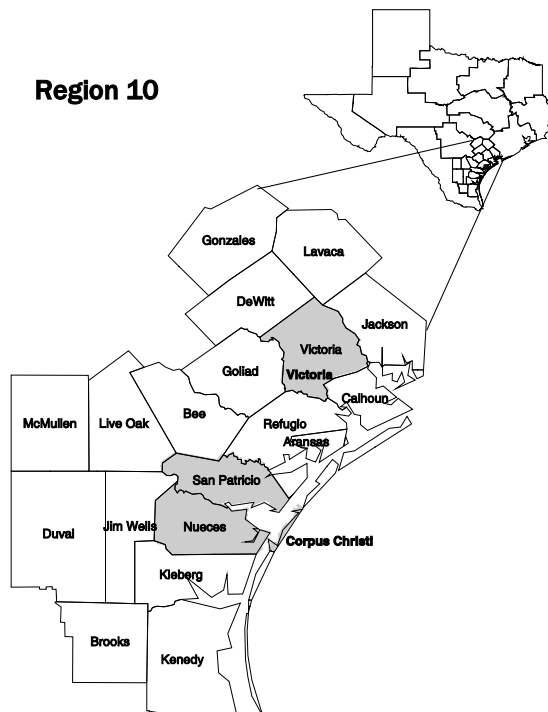
**Region 9 Assisted Multifamily Units**

Assisted Multifamily Units	Region Total	Percent in Region	Percent of State Total
TDHCA Units	16,288	31.4%	8.3%
HUD Units	12,080	23.3%	11.8%
PHA Units	7,458	14.4%	13.5%
Section 8 Vouchers	15,046	29.0%	10.3%
USDA Units	1,007	1.9%	3.8%
HFC Units*	23,015		
Total	51,879	100.0%	9.9%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics



Region 10

### REGION 10

Region 10, including the urban areas of Corpus Christi and Victoria, is located in the south eastern part of the state on the Gulf of Mexico. Half of the total population of 709,697 people lives in urban areas. HISTA population projections for 2009 show that 3.0 percent of the state's population lives in this region.

According to the 2000 Census, 66.8 percent of the occupied units in the region are owner occupied and the rest are occupied by renters.

According to TDHCA's 2006 Community Needs Survey for Region 10, the two greatest general needs as ranked by survey respondents were housing assistance with 53 percent of total respondents and capacity building with 29 percent of total respondents. Of the remaining respondents, approximately 19 percent indicated that the development of apartments was the priority need and 18 percent indicated that energy assistance was the priority need. No respondents indicated that homeless assistance was the community's priority need.

### Need Indicators

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

### Housing Need

According to the 2009 Census population estimate, there are 152,046 people that live in poverty in the region, a rate of 18.4 percent. Approximately 35 percent of the 59,191 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent 27 percent of the households with extreme housing cost burden. Approximately 21 percent of the households are low income and the remainder are moderate income and above.

In the region, 3,763 households lack kitchen and/or plumbing facilities; this is 4 percent of the state's total. Approximately 34 percent earn less than 30 percent of the area median income; 20 percent of the households earn between 31 and 50 percent; and 20 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of the area median income. Of the 24,509 overcrowded households, almost 20 percent are extremely low income, 17 percent are very low income, another 22 percent are low income, and the rest of the overcrowded households are moderate income and above.



## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

Regarding rental development in the Community Needs Survey for Region 10, 41 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 32 percent of respondents who indicated that the need for construction and rehabilitation was the same.

When considering housing assistance in the Community Needs Survey for Region 10, 81 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 9 percent.

#### Community Services Need

Region 10 has 3.0 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 10, 54 percent indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 36 percent.

#### Housing Supply

According to the most recent US Census, 86 percent of the housing units in the region are occupied. Of the total housing stock, 71 percent are one unit, 18 percent are over two units, 10 percent are mobile homes, and the rest are boats and RVs.

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

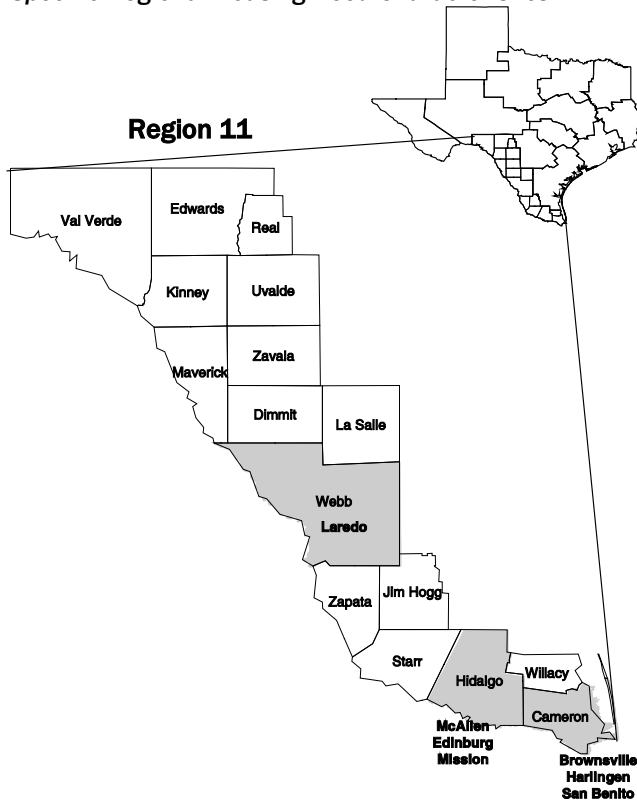
**Region 10 Assisted Multifamily Units**

Assisted Multifamily Units	Region Total	Percent in Region	Percent of State Total
TDHCA Units	4,862	25.4%	2.5%
HUD Units	4,236	22.1%	4.1%
PHA Units	4,459	23.3%	8.1%
Section 8 Vouchers	3,977	20.8%	2.7%
USDA Units	1,619	8.5%	6.1%
HFC Units*	1,073		
Total	19,153	100.0%	3.6%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# Housing and Homeless Needs Assessment

## Specific Regional Housing Need Characteristics



### REGION 11

Region 11 is a 16-county area along the border of Mexico. The main urban areas in the region are Brownsville-Harlingen, McAllen-Edinburg, Del Rio, and Laredo. Almost 59 percent of the population lives in urban areas. HISTA population projections for 2009 show that 2.5 percent of the state's population, or 1,573,971 people, lives in this region.

According to the 2000 Census, 71 percent of the occupied housing units are owner occupied and the rest are occupied by renters.

According to TDHCA's 2006 Community Needs Survey data for Region 11, the two greatest general needs as ranked by survey respondents were housing assistance with 62 percent of total respondents and development of apartments with 31 percent of total respondents. Of the remaining respondents,

approximately 18 percent indicated that capacity building was the priority need, 13 percent indicated that the energy assistance was the priority need and 11 percent indicated that homeless assistance was the priority need.

### Need Indicators

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

### Housing Need

According to the 2009 Census population estimate, there are 523,671 people that live in poverty in the region; this is the highest poverty rate in the state. Approximately 42 percent of the 78,562 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent 26 percent of the households with extreme housing cost burden. Approximately 18 percent of the households are low income and the remainder are moderate income and above.

In the region, 14,614 households lack kitchen and/or plumbing facilities; this is 19 percent of the state's total. Approximately 43 percent earn less than 30 percent of the area median income; 24 percent of the households earn between 31 and 50 percent; and 17 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of the area median income. Of the 91,741 overcrowded households, 25 percent are extremely low income,

## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

21 percent are very low income, another 23 percent are low income, and the rest of the overcrowded households are moderate income and above.

Regarding rental development in the Community Needs Survey for Region 11, 50 percent of respondents indicated that the need for construction and rehabilitation was the same, followed by 33 percent of respondents who indicated that construction of new units alone was the greatest need.

When considering housing assistance in the Community Needs Survey for Region 11, 46 percent of respondents indicated that home repair assistance was the greatest need, followed by rental payment assistance at 29 percent.

#### Community Services Need

Region 11 has 13.9 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 11, 59 percent indicated that utility assistance was the greatest need followed by weatherization and minor home repairs with 29 percent.

#### Housing Supply

According to the most recent US Census, 82.7 percent of the housing units in the region are occupied. Of the total housing stock, 66 percent are one unit, 14 percent are over two units, 18 percent are mobile homes, and the rest are boats and RVs.

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 11 Assisted Multifamily Units**

Assisted Multifamily Units	Region Total	Percent In Region	Percent of State Total
TDHCA Units	9,593	26.4%	4.9%
HUD Units	4,208	11.6%	4.1%
PHA Units	6,949	19.1%	12.6%
Section 8 Vouchers	13,553	37.3%	9.3%
USDA Units	2,003	5.5%	7.6%
HFC Units*	377		
Total	36,306	100.0%	6.9%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# Housing and Homeless Needs Assessment

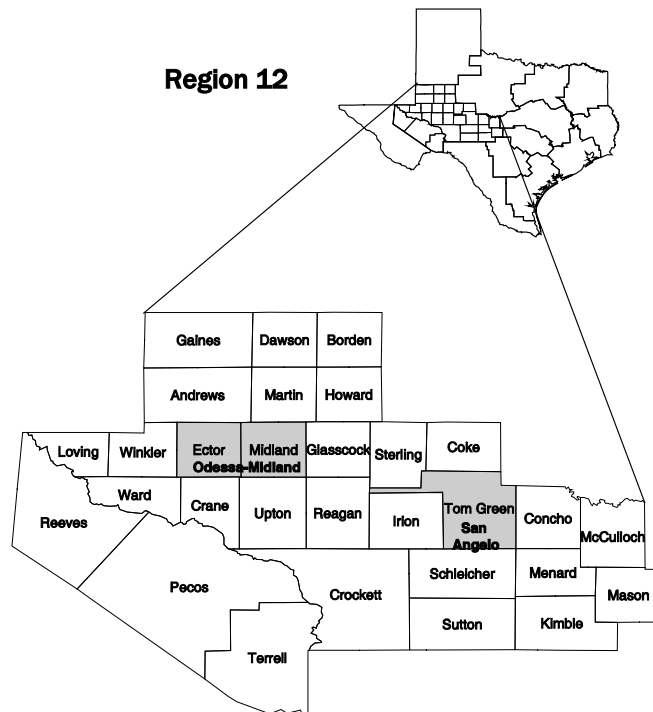
## Specific Regional Housing Need Characteristics

### REGION 12

Region 12 in west Texas surrounds the urban areas of Odessa-Midland and San Angelo. HISTA population projections for 2009 show that 594,754 people live in the region. Fifty-six percent live in urban areas. Population estimates through 2009 show that 2.5 percent of the state's population lives in this region.

According to the 2000 Census, 70 percent of the occupied housing units in the region are owner occupied and the rest are occupied by renters.

According to TDHCA's 2006 Community Needs Survey data for Region 12, the two greatest general needs as ranked by survey respondents were housing assistance with 50 percent of total respondents and development of apartments with 30 percent of total respondents. Of the remaining respondents, approximately 12 percent indicated that the energy assistance was the priority need, 9 percent indicated that capacity building assistance was the priority need and 9 percent indicated that homeless assistance was the priority need.



### Need Indicators

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

### Housing Need

According to the 2009 Census population estimate, there are 97,822 people that live in poverty in the region. Approximately 37 percent of the 40,053 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent 28 percent of the households with extreme housing cost burden. Approximately 20 percent of the households are low income and the remainder are moderate income and above.

In the region, 2,577 households lack kitchen and/or plumbing facilities; this is 3 percent of the state's total. Approximately 28 percent earn less than 30 percent of the area median income, almost 21 percent of the households earn between 31 and 50 percent, and 21 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of the area median income. Of the 14,556 overcrowded households, 17 percent are extremely low income,

## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

17 percent are very low income, another 28 percent are low income, and the rest of the overcrowded households are moderate income and above.

Regarding rental development in the Community Needs Survey for Region 12, 42 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 33 percent of respondents who indicated that the need for construction and rehabilitation was the same.

When considering housing assistance in the Community Needs Survey for Region 12, 50 percent of respondents indicated that home repair assistance was the greatest need, followed by rental payment assistance at 25 percent.

### Community Services Need

Region 12 has 2.3 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 12, 46 percent of respondents indicated that utility assistance was the greatest need, followed by weatherization and minor home repairs with 42 percent.

### Housing Supply

According to the most recent US Census, 85.4 percent of the housing units in the region are occupied. Of the total housing stock, 72 percent are one unit, 16 percent are over two units, 12 percent are mobile homes, and the rest are boats and RVs.

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 12 Assisted Multifamily Units**

Assisted Multifamily Units	Region Total	Percent in Region	Percent of State Total
TDHCA Units	3,445	34.0%	1.8%
HUD Units	1,763	17.4%	1.7%
PHA Units	1,145	11.3%	2.1%
Section 8 Vouchers	3,058	30.1%	2.1%
USDA Units	735	7.2%	2.8%
HFC Units*	104		
Total	10,146	100.0%	1.9%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

# Housing and Homeless Needs Assessment

## Specific Regional Housing Need Characteristics



### REGION 13

El Paso is the main urban area in Region 13. The region spreads along the Texas-Mexico border in the southwestern tip of the state. According to HISTA population projections for 2009, 802,488 people live in the Region. Slightly less than 89 percent live in urban areas; this is the highest urban percentage in the state. Population estimates through 2009 show that 3.4 percent of the state's population lives in this region.

According to the 2000 Census, 64 percent of the occupied housing units are owner occupied and the rest are rentals.

According to TDHCA's 2006 Community Needs Survey data for Region 13, the two greatest general needs as ranked by survey respondents

were housing assistance with 58 percent of total respondents and development of apartments with 43 percent of total respondents. Of the remaining respondents, approximately 27 percent indicated that homeless assistance as the priority need and 17 percent indicated that capacity building assistance was the priority need. No respondents indicated that energy assistance was their community's priority need.

### Need Indicators

The housing need indicators analyzed in this section include poverty rates, housing cost burden, substandard housing conditions, and housing overcrowding for renter and owner households. Most of the following information comes from the 2000 CHAS database updated with HISTA population projections, except where noted. See tables with regional data in the Regional Housing Need Characteristics section.

### Housing Need

According to the 2009 Census population estimate, there are 189,890 people that live in poverty in the region; representing the second highest poverty rate in the state at 27.3 percent. Approximately 31 percent of the 55,856 households with extreme housing cost burden earn less than 30 percent of the area median income (extremely low income). Those earning between 31 percent and 50 percent of the area median income (very low income) represent 27 percent of the households with extreme housing cost burden. Approximately 25 percent of the households are low income and the remainder are moderate income and above.

In the region, 4,076 households lack kitchen and/or plumbing facilities; this is 5 percent of the state's total. Approximately 23 percent earn less than 30 percent of the area median income, just over 27 percent of the households earn between 31 and 50 percent, and 23 percent earn between 51 and 80 percent. The remaining households that live in physically inadequate housing earn above 80 percent of

## Housing and Homeless Needs Assessment

### Specific Regional Housing Need Characteristics

the area median income. Of the 33,316 overcrowded households, 19 percent are extremely low income, 20 percent are very low income, another 23 percent are low income, and the rest of the overcrowded households are moderate income and above.

Regarding rental development in the Community Needs Survey for Region 13, 46 percent of respondents indicated that their community's greatest need was the construction of new rental units, followed by 24 percent of respondents who indicated that the need for construction and rehabilitation was the same.

When considering housing assistance as a category in the Community Needs Survey for Region 13, 41 percent of respondents indicated that home repair assistance was the greatest need, followed by homebuyer assistance at 35 percent.

#### Community Services Need

Region 13 has 5.6 percent of the state's poverty households. When taking into account energy assistance in the Community Needs Survey for Region 13, 52 percent indicated that weatherization and minor home repairs was the greatest need followed by utility assistance with 24 percent.

#### Housing Supply

According to the most recent US Census, 92.7 percent of the housing units in the region are occupied. Of the total housing stock, 68 percent are one unit, 23 percent are over two units, 8 percent are mobile homes, and the rest are boats and RVs.

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local HFCs, including the Texas State Affordable Housing Corporation. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section. Please note that because some developments layer funding from multiple sources, there may be double counting.

**Region 13 Assisted Multifamily Units**

Assisted Multifamily Units	Region Total	Percent in Region	Percent of State Total
TDHCA Units	4,858	24.4%	2.5%
HUD Units	2,395	12.0%	2.3%
PHA Units	6,228	31.3%	11.3%
Section 8 Vouchers	6,117	30.7%	4.2%
USDA Units	298	1.5%	1.1%
HFC Units*	993		
Total	19,896	100%	3.8%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

## HOMELESS

This section describes the nature and extent of homelessness, including the needs of the homeless population.

### HOMELESS POPULATIONS

The Stewart B. McKinney Homeless Assistance Act of 1987, the legislation that created a series of homeless assistance programs, defined the term “homeless.” The following definition is used by the US Department of Housing and Urban Development (HUD) and all other federal agencies responsible for administering McKinney programs:

The term “homeless” or “homeless individual” includes

- an individual who lacks a fixed, regular, and adequate night time residence; or
- an individual who has a primary nighttime residency that is
  - a supervised publicly or privately-operated shelter designed to provide temporary living accommodations;
  - an institution that provides a temporary residence for individuals intended to be institutionalized; or
  - a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The National Alliance to End Homelessness estimates that for Texas in 2007, there were approximately 39,761 homeless people using a point-in-time estimate in January. The number of homeless in 2007 decreased from 2005 by 8.87 percent.<sup>8</sup> However, estimates of homeless populations vary widely; the migratory nature of the homeless population, the stigma associated with homelessness, and the fact that many homeless individuals lack basic documentation all contribute to the difficulty of making an accurate count. Most homeless counts are “point in time” estimates, which do not capture the revolving-door phenomenon of persons moving in and out of shelters over time. The Texas Interagency Council for the Homeless estimates that approximately 200,000 people in Texas, or about 1 percent of the population, are homeless, which is higher than the National Alliances to End Homelessness’ Point in Time estimate.<sup>9</sup> Furthermore, the homeless population can be classified into three categories: literally homeless, which describes those who have no permanent residence and stay in shelters or public places; marginally homeless, which includes those who live temporarily with other people and have no prospects for housing; and people at risk of homelessness. People at risk of homelessness generally have incomes below the poverty level, rely on utility and rental assistance, and may be unable to absorb unexpected events such as the loss of a job or serious illness.

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<sup>8</sup> National Alliance to End Homelessness, Homeless Research Institute. (2009, January). Homeless counts: Changes in homelessness from 2005 to 2007. Retrieved from <http://www.endhomelessness.org/content/article/detail/2158>.

<sup>9</sup> Texas Interagency Council for the Homeless. (2000). Key facts. Retrieved from <http://www.tich.state.tx.us/facts.htm>



## **HOMELESS SUBPOPULATIONS**

The following homeless subpopulations have special characteristics. Though these subpopulations may have different characteristics, the two main trends significant in the rise of homelessness can be connected to the poverty (characterized by the decline in employment opportunities and public assistance programs) and a shortage of affordable housing.<sup>10</sup>

### ***HOMELESS FAMILIES WITH CHILDREN***

The number of homeless families with children has increased significantly over the past decade. A 2007 US Conference of Mayors survey of 23 American cities found that homeless families comprised 23 percent of the homeless population.<sup>11</sup> These proportions are likely to be higher in rural areas. Research indicates that families, single mothers, and children make up the largest group of people who are homeless in rural areas.<sup>12</sup>

### ***HOMELESS YOUTH***

The National Alliance to End Homelessness cites a study that estimates between 1 million and 1.5 million youth age 18 or under experiences homelessness each year. The Alliance finds that this population is at risk for physical abuse, sexual exploitation, mental health disabilities, chemical or alcohol dependency, and death.<sup>13</sup>

### ***HOMELESS MINORITIES***

In its 2006 survey of 25 cities, the U.S. Conference of Mayor found the following demographic break down of the homeless population: 42 percent African-American, 39 percent white, 13 percent Hispanic, 4 percent Native American and 2 percent Asian.<sup>14</sup> However, the ethnic makeup of the homeless population will vary by geographic area.

### ***HOMELESS IN RURAL AREAS***

Based on Texas Interagency Council estimates cited above, approximately 1 percent of the Texas population is homeless. TDHCA estimates that 1 percent of the rural population would also be homeless. Rural areas typically have fewer jobs and shelters than urban areas, which makes it especially difficult for homeless persons. The National Alliance to End Homelessness reports that homeless persons in rural areas are more likely to be white, and homeless farmworkers and Native Americans are also generally found in rural areas.<sup>15</sup> Migrant farmworkers, because of their mobile lifestyle, extremely low incomes, and lack of affordable housing, are at a high risk for homelessness.

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<sup>10</sup> National Coalition for the Homeless. (2008, June). *Why are people homeless? NCH Fact Sheet #1*. Retrieved from <http://www.nationalhomeless.org/factsheets/who.html>

<sup>11</sup> National Coalition for the Homeless. (2008, June). *Who is homeless? NCH Fact Sheet #3*. Retrieved from <http://www.nationalhomeless.org/factsheets/who.html>

<sup>12</sup> Ibid.

<sup>13</sup> National Alliance to End Homelessness. (n.d). *Youth*. Retrieved from <http://www.endhomelessness.org/section/policy/focusareas/youth>

<sup>14</sup> National Coalition for the Homeless. (2008, June) *Who is homeless? NCH Fact Sheet #3*. Retrieved from <http://www.nationalhomeless.org/factsheets/who.html>

<sup>15</sup> Ibid.

## ***Housing and Homeless Needs Assessment***

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### ***Homeless Needs***

#### ***HOMELESS VICTIMS OF DOMESTIC VIOLENCE***

Battered women who live in poverty are often forced to choose between staying in abusive relationships and homelessness. According to the U.S. Conference of Mayors in 2007, approximately nine percent of cities cite domestic violence as the primary cause of family homelessness.<sup>16</sup>

#### ***HOMELESS PERSONS WITH MENTAL ILLNESSES AND DISABILITIES***

Tens of thousands of homeless in Texas have physical and mental disabilities.<sup>17</sup> The general lack of affordable housing and the poverty of this population make it difficult for homeless persons with mental illness to access social service programs and leaves them highly susceptible to homelessness.

#### ***ELDERLY PERSONS***

According to 2005 to 2007 American Community Survey, an estimated 12.4 percent of those aged 65 and over are under the poverty line. Elderly persons in poverty are at risk for homelessness.

#### ***HOMELESS VETERANS***

The U.S. Department of Veteran Affairs estimates that 131,000 veterans are homeless each night. Approximately 23 percent of the homeless people are veterans. Sixty-seven percent of homeless veterans served for at least three years and 33 percent were stationed in a war zone. Many homeless veterans live with Post Traumatic Stress Disorder and substance abuse.<sup>18</sup>

#### ***CHRONICALLY HOMELESS PERSONS***

The U.S. Department of Health and Human Services' Ending Chronic Homelessness: Strategies for Action defines chronic homelessness as "those with a protracted homeless experience, often a year or longer, or whose spells in the homeless assistance system are both frequent and long." For instance, the presence of a disability is almost universal in this subpopulation. In addition, this population most heavily uses available services; while this subpopulation makes up approximately 10 percent of all homeless people, they use approximately 50 percent of the days of shelter provided by support systems. Even though chronically homeless people most heavily use services, their experiences with mainstream services did not effectively address their needs, possibly because many have limited family support systems or are ethnic or racial minorities. Finally, chronically homeless people often have multiple problems and face a service system that often does not offer a comprehensive set of treatments.<sup>19</sup>

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<sup>16</sup> National Coalition for the Homeless. (2008, June). Domestic violence and homelessness. *NCH Fact Sheet #7*. Retrieved from <http://www.nationalhomeless.org/factsheets/domestic.html>

<sup>17</sup> Texas Homeless Network. (2009). Homeless in Texas. Austin, TX: Author.

<sup>18</sup> National Coalition for Homeless Veterans. (nd). Background and statistics. Retrieved from <http://www.nchv.org/background.cfm>

<sup>19</sup> U.S. Department of Health and Human Services. (2003, March). Ending chronic homelessness: Strategies for action. Retrieved from <http://aspe.hhs.gov/hsp/homelessness/strategies03/>

### **HOMELESS PERSONS WITH HIV/AIDS**

The NCH estimates that 3 to 20 percent homeless people are HIV positive.<sup>20</sup> People with HIV/AIDS may lose their jobs because of discrimination or have high health care costs, leading to homelessness. This population may require supportive health services or community care programs in addition to housing assistance.

### **HOMELESS PERSONS WITH SUBSTANCE ABUSE**

The 2007 US Conference of Mayors survey finds that 37.1 percent of homeless individuals deal with substance abuse. The survey also finds that 9.6 percent of families with children who are homeless have substance abuse in the family.<sup>21</sup> The Gulf Coast Addiction Technology Transfer Center and U.T. Center for Social Work Research found that 10.3 percent of clients admitted to Department of State Health Services-Funded Treatment Programs from December to January 2008 were homeless.<sup>22</sup> Homeless persons with substance abuse problems may require supportive services.

### **HOMELESS NEEDS**

The “continuum of care” approach to fighting homelessness is based on the understanding that homelessness is not caused merely by a lack of shelter, but involves a variety of underlying unmet physical, economic, and social needs. A comprehensive system of services as well as permanent housing is needed to help homeless individuals and families reach independence using a combination of emergency shelters, transitional housing, social services, and permanent housing. The continuum of care system begins with outreach, intake, and assessment. It is followed by safe emergency shelter and/or transitional housing that provides a variety of services including job training, educational services, substance abuse services, mental health services, and family support. Ultimately, the goal is to assist the family or individual achieve permanent housing.

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. Demonstrating the need for homeless shelter and services, for the 2008 ESGP application cycle, the Department received 190 applications and was able to fund only 78.

Many of the organizations that applied to TDHCA for funding serve all homeless individuals or target families with children specifically. The Texas Health and Human Services Commission’s Family Violence Program funds family violence centers located throughout the state that provide services to victims of family violence. Services for victims include 24-hour hotline guidance, information and referral services, legal services, counseling, emergency transportation, assistance in obtaining medical care and job training, and selected family violence centers provide temporary shelter services. Many of those receiving services through this program are women with children.

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<sup>20</sup> Coalition for the Homeless. (2008, June). *HIV/AIDS and homelessness. NCH Fact Sheet #9*. Retrieved from <http://www.nationalhomeless.org/factsheets/hiv.html>

<sup>21</sup> Coalition for the Homeless. (2008, June). *Addiction disorders and homelessness. NCH Fact Sheet #6*. Retrieved from <http://www.nationalhomeless.org/factsheets/addiction.html>

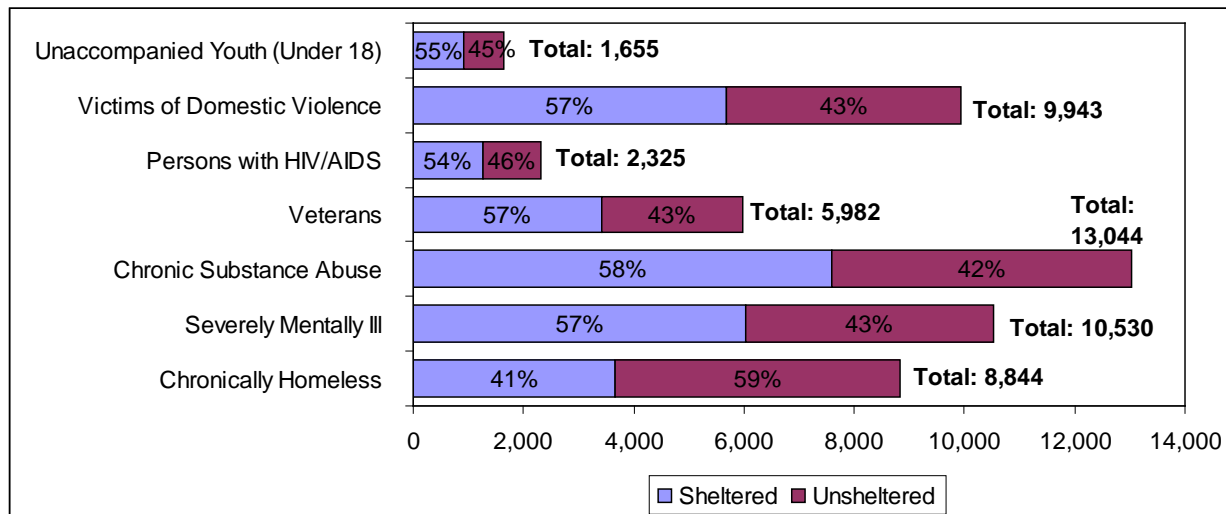
<sup>22</sup> Maxwell, J. C. (2009, June). *Substance abuse trends in Texas: June 2009*. Retrieved from [http://www.utexas.edu/research/cswr/gcattc/documents/Texas2009\\_002.pdf](http://www.utexas.edu/research/cswr/gcattc/documents/Texas2009_002.pdf)

## Housing and Homeless Needs Assessment

### Homeless Needs

Based on the 18 Continuum of Care applications that were submitted to HUD in 2008, the actual number of homeless persons counted in Texas was 40,190 persons.<sup>23</sup> The following table shows the homeless subpopulations counted in the 2008 Continuum of Care grant submissions:

**Figure 1.13: Continuum of Care, Summary of Homeless Persons by Subpopulations Reported, 2008**



Source: HUD Homelessness Resource Exchange

There is no substantive data available that describes racial and ethnic demographics of homeless populations in the state of Texas.

**Table 1.14 Housing, Homeless and Special Needs**

HOUSING NEEDS							
Household Type	Elderly Renter	Small Renter	Large Renter	Other Renter	Total Renter	Owner	Total
<b>0 -30% of MFI</b>							
% Any housing problem	62.0	79.2	91.8	72.8	75.7	71.5	74.0
% Cost burden > 30	60.4	72.8	72.8	71.3	70.2	67	68.9
% Cost Burden > 50	42.6	56.6	48.2	63.3	55.3	47.4	52.2
<b>31 - 50% of MFI</b>							
% Any housing problem	59.9	73.8	86.3	80.3	75.6	54.2	65.3
% Cost burden > 30	58.3	62.9	42.2	78.4	63.6	46.6	55.3
% Cost Burden > 50	24.7	13.9	6.1	26.2	17.8	20.8	19.3
<b>51 - 80% of MFI</b>							
% Any housing problem	42.2	39.2	70.8	37.6	43.3	39.8	41.4
% Cost burden > 30	40.5	23.4	11.0	34.4	27.0	30.1	28.7
% Cost Burden > 50	12.9	1.5	0.5	2.7	2.7	7.7	5.4

<sup>23</sup> HUD Homelessness Resource Exchange. (n.d.). CoC maps, contacts, reports and awards. Retrieved from <http://www.hudhre.info/index.cfm?do=viewHomelessRpts>

**Table 1.15 Housing, Homeless and Special Needs**

Special Needs (Non-Homeless) Subpopulations (as reported in ESGP reports PY 2008 Sept 2008 thru June 2009)	Unmet Need
1. Elderly	806
2. Frail Elderly	Part of Elderly
3. Severe Mental Illness	1,572
4. Developmentally Disabled	2,123
5. Physically Disabled	Part of Developmentally Disabled
6. Persons w/Alcohol/Other Drug Addictions	2,280
7. Persons w/HIV/AIDS	43
8. Victims of Domestic Violence	13,385
9. Other	

Note: Persons may be reported under more than one category

**Homeless Continuum of Care: Housing Gap Analysis Chart**

Individuals Beds	Current Inventory	Under Development	Unmet Need/ Gap
Emergency Shelter	6,841	Unknown	5,087
Transitional Housing	3,632	Unknown	6,492
Permanent Supportive Housing	2,327	Unknown	245
<b>Total</b>	<b>12,800</b>		<b>11,824</b>
<b>Chronically Homeless</b>	<b>4,281</b>	Unknown	<b>1,070</b>

Persons in Families with Children Beds	Current Inventory	Under Development	Unmet Need/ Gap
Emergency Shelter	4,556	Unknown	1,124
Transitional Housing	5,455	Unknown	3,641
Permanent Supportive Housing	1,645	Unknown	5,926
<b>Total</b>	<b>11,656</b>		<b>10,691</b>

**Continuum of Care: Homeless Population and Subpopulations Chart**

Part 1: Homeless Population (as reported in ESGP reports PY 2008 Sept 2008 thru June 2009)	Emergency Sheltered	Transitional Sheltered	Unsheltered	Total
Number of Families with Children (Family Households)	21,067 households	Unknown	Unknown	160 households
1. Number of Persons in Families with Children	Unknown	Unknown	Unknown	Unknown
2. Number of Single Individuals and Persons in Households without Children	177			0
<b>(Add lines Numbered 1 &amp; 2 Total Persons)</b>	<b>21,244</b>			<b>160</b>

Part 2: Homeless Subpopulations	Persons Sheltered	Unsheltered	Total
a. Chronically Homeless	5,932	Unknown	
b. Seriously Mentally Ill	1,572		
c. Chronic Substance Abuse	2,280		
d. Veterans	1,017		
e. Persons with HIV/AIDS	43		
f. Victims of Domestic Violence	13,385		
g. Unaccompanied Youth (Under 18)	570		

## **OTHER SPECIAL NEEDS POPULATIONS**

This section describes the needs of other special needs populations including the elderly, frail elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS, victims of domestic violence, colonia residents, migrant farmworkers, and public housing residents.

### ***ELDERLY POPULATION***

According to the 2000 US Census, 9.9 percent of people in Texas (approximately 2 million) were 65 years of age or older. The US Census projections estimate that by 2025 the elderly population will more than double to approximately 4.3 million. Furthermore, the elderly females made up about 55 to 59 percent of the elderly population projections.<sup>24</sup> Rural county populations have the largest proportion of older adults. However, rural areas only account for 25 percent of the elder population.<sup>25</sup>

In Texas during 2005 to 2007, the median income of householders age 65 or older was approximately \$30,777 in 2007 inflation-adjusted dollars. This was roughly \$26,883 less than the median income of householders aged 45 to 64. During that same time frame, approximately 12.4 percent of Texans 65 or older lived below the poverty level.<sup>26</sup> Low incomes in addition to rising healthcare costs may make housing unaffordable. In 2008, 2,778,533 Texas received Medicare and in 2004, 85% of Texas Medicare beneficiaries were age 65 and older. Nationwide, persons who receive Medicare spend approximately 30% of their income on health care.<sup>27</sup>

A 2000 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.<sup>28</sup> From 2005-2007, approximately 1,140,246 elderly households aged 65 and over own their own homes; this makes up approximately 82 percent of the elderly population.<sup>29</sup> Elderly homeowners may live in older homes than the majority of the population; due to their age, homes owned by the elderly are often in need of repair, weatherization, and energy assistance.

Some elderly households may require in-house services such as medical treatment, meal preparation, or house cleaning. The Community Based Alternatives Program, administered by the Texas Department of Aging and Disability Services, provides services to meet the needs of elderly and disabled Texans avoiding premature nursing home placement, and proves to be more cost-effective than nursing home care.

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<sup>24</sup> U.S. Census. (n.d.). Projections of the population, by age and sex, of states: 1995 to 2025. Retrieved from <http://www.census.gov/population/projections/state/stpjae.txt>

<sup>25</sup> Texas Department on Aging. (2003, April). Texas demographics: Older adults in Texas. Retrieved from [http://www.dads.state.tx.us/news\\_info/publications/studies/NewDemoProfileHi-Rez-4-03.pdf](http://www.dads.state.tx.us/news_info/publications/studies/NewDemoProfileHi-Rez-4-03.pdf)

<sup>26</sup> U.S. Census Bureau, 2005-2007 American Community Survey (n.d.). Subject tables. Retrieved from [http://factfinder.census.gov/servlet/STSelectServlet?\\_lang=en&\\_ts=269269506494](http://factfinder.census.gov/servlet/STSelectServlet?_lang=en&_ts=269269506494)

<sup>27</sup> American Association of Retired Persons. (2009). Why health care reform is important in Texas. Retrieved from [http://assets.aarp.org/rgcenter/health/state\\_hcb\\_09\\_tx.pdf](http://assets.aarp.org/rgcenter/health/state_hcb_09_tx.pdf)

<sup>28</sup> Texas Department on Aging, Office of Aging Policy and Information. (2002, December). The state of our state on aging. Austin, TX: 19. Retrieved from <http://www.tdoa.state.tx.us/Publications/ResearchReports/SOS-2003.pdf>.

<sup>29</sup> U.S. Census Bureau, 2005-2007 American Community Survey. (n.d.). Subject tables. Retrieved from [http://factfinder.census.gov/servlet/STSelectServlet?\\_lang=en&\\_ts=269269506494](http://factfinder.census.gov/servlet/STSelectServlet?_lang=en&_ts=269269506494)

### ***Frail Elderly Persons***

Frail elderly persons are defined as elderly persons who are unable to perform at least three activities of daily living. Activities of daily living include eating, dressing, bathing. According to the 2005 to 2007 American Community Survey estimates, approximately 45 percent, or 101,916 elderly persons, aged 65 and older have a disability as defined by the US Census. Of all elderly persons, approximately 35.6 percent have a physical disability and 20.4 percent have a go-outside-home disability.<sup>30</sup> This population will require medical and social services; varying degrees of assistance are needed to maintain self-sufficiency and delay the need for nursing home care.

### ***PERSONS WITH DISABILITIES***

According to the US Department of Housing and Urban Development, 24 CFR 582.5:

A person shall be considered to have a disability if such a person has a physical, mental, or emotional impairment that

- is expected to be of long-continued and indefinite duration,
- substantially impedes his or her ability to live independently, and
- is of such a nature that the ability could be improved by more suitable housing conditions.

According to the 2005 to 2007 American Community Survey, approximately 6.6 percent, or 1,383,728, Texans over the age of 5 had one disability, and 7.8 percent, or 1,635,315, Texans over the age of five had two or more disabilities for that time period. Of the people with disabilities aged 16 to 64, approximately 3.1 percent had a sensory disability (severe vision or hearing impairment), 7.1% had a physical disability (condition that substantially limits a physical activity such as walking or carrying), 4.4% had a mental disability (learning or remembering impairment), 2.1 percent had a self-care disability (dressing, bathing, or getting around inside the home), 3.1 percent had a go-outside-home disability, and 6.2 percent had an employment disability from 2005 to 2007.<sup>31</sup>

Housing opportunities for people with disabilities may be complicated by low incomes. The 2005 to 2007 American Community Survey estimates that 38.6 percent of persons with any disability were employed. In addition, 23.4 percent were below the poverty level for that time period.<sup>32</sup> 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. In nationwide study *Priced Out In 2008: The Housing Crisis for People with Disabilities*, a person receiving SSI as their sole source of income would need to pay 112.1 percent of their income to rent a one-bedroom unit or 99.3 percent of their income to rent a studio/efficiency.<sup>33</sup>

The Olmstead Supreme Court decision maintained that unnecessary segregation and institutionalization of people with disabilities is unlawful discrimination under the Americans with Disabilities Act (ADA). Furthermore, the Fair Housing Act, Section 504 of the Rehabilitation Act, ADA, and Section 2306.514 of the Texas Government Code all provide mandates for accessible residential housing for persons with disabilities. A cost-effective and integrative approach is to promote “adaptive design” or “universal

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<sup>30</sup> U.S. Census Bureau, 2005-2007 American Community Survey. (n.d.). Subject tables. Retrieved from [http://factfinder.census.gov/servlet/STSelectServlet?\\_lang=en&\\_ts=269269506494](http://factfinder.census.gov/servlet/STSelectServlet?_lang=en&_ts=269269506494)

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

<sup>33</sup> Cooper, E., Korman, H., O'Hara, A., & Zovistoski, A. (2009, April). *Priced out in 2008: The housing crisis for people with disabilities*. Retrieved from <http://www.endlongtermhomelessness.org/downloads/news/Priced%20Out%202008.pdf>.

## ***Housing and Homeless Needs Assessment***

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### ***Other Special Needs Population***

access” housing, which promotes basic, uniform standards in the design, construction, and alteration of structures that include accessibility or simple modification for disabled individuals. While an “adaptable” unit may not be fully accessible at time of occupancy, it can easily and inexpensively be modified to meet the needs of any resident. Another option is to equip homes with special features designed for persons with disabilities, including ramps, extra-wide doors and hallways, hand rails and grab bars, raised toilets, and special door levers. Many persons with disabilities require larger housing units because they live with family, roommates, or attendants.

### ***PERSONS WITH ALCOHOL AND DRUG ADDICTION***

The National Surveys on Drug Use and Health found that from 2006 to 2007 approximately 6.4 percent of Texans aged 12 or older had used an illicit drug in the past month. The Texas rate is lower than the national average of 8 percent. Also, 2.7 percent of Texans aged 12 or older were dependent on or abused an illicit drug in the past year, compared to 2.8 percent nationwide.<sup>34</sup> In 2006, the Texas Department of State Health Services (DSHS) admitted 14,488 adult clients with alcohol problems and 40,667 adult clients with other drug addictions to state-funded treatment programs. The average age of adult clients was 34 and approximately 21 percent of adult clients were employed. That same year DSHS admitted 566 youth clients with alcohol problems and 7,013 youth clients with other drug problems to state-funded treatment programs.<sup>35</sup> The population of persons with alcohol or other drug addiction is diverse and often overlaps with the mentally disabled or homeless populations.

Research on the differences between rural and urban youth substance abusers in 10 treatment centers nationwide revealed that significantly more urban adolescents were minorities and significantly more rural adolescents had higher clinical severity when entering treatment. In fact, significantly higher percentages of rural adolescents used drugs or alcohol before age 15 and were diagnosed with alcohol dependence during pre-treatment. The study found that “rural populations tend to be more self-reliant and may mistrust services provided by outsiders, which may influence whether a rural youth will ultimately be referred to substance abuse services” and “lack of availability within rural communities may cause delays in the referral to substance abuse treatments” (p. 117). However, after treatment, both urban and rural groups equally showed reduction in substance use.<sup>36</sup>

Supportive housing programs needed for persons with alcohol and/or other drug addiction problems range from short-term, in-patient services to long-term, drug-free residential housing environments for recovering addicts. Better recovery results may be obtained by placing individuals in stable living environments.

### ***PERSONS WITH HIV/AIDS***

Human Immunodeficiency Virus, or HIV, is the virus that causes AIDS (Acquired Immunodeficiency Syndrome). HIV infects cells and attacks the immune system, which weakens the body and makes it especially susceptible to other infections and diseases. According to the Texas Department of State Health Services (DSHS), as of December 2007, there were 62,714 reported persons living with

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<sup>34</sup> Maxwell, J. C. (2009, June). Substance abuse trends in Texas: June 2009. Retrieved from [http://www.utexas.edu/research/cswr/gcattc/documents/Texas2009\\_002.pdf](http://www.utexas.edu/research/cswr/gcattc/documents/Texas2009_002.pdf)

<sup>35</sup> Texas Department of State Health Services. (2007, December 12). Substance abuse statistics: Texas statewide totals. Retrieved from <http://www.dshs.state.tx.us/sa/research/statewide-totals/>

<sup>36</sup> Hall, J. A., et al. (2008, March). Substance abuse treatment with rural adolescents: Issues and outcomes. *Journal of Psychoactive Drugs*. 40(1), 109-120.



HIV/AIDS in Texas.<sup>37</sup> Because of increased medical costs or the loss of the ability to work, people with HIV/AIDS may be at risk of losing their housing arrangements.

Situated within a comprehensive network of HIV care services in Texas, the State of Texas HOPWA Formula program meets the unmet housing and supportive services needs of people living with HIV/AIDS (PLWHA) in Texas by providing housing assistance and supportive services to income-eligible individuals living with HIV/AIDS and their families. In Texas, HOPWA funds provide emergency housing assistance, which funds short-term rent, mortgage, and utility payments to prevent homelessness; and tenant-based rental assistance, which enables low income individuals to pay rent and utilities until there is no longer a need or until they are able to secure other housing. In addition to the DSHS statewide program, the cities of Austin, Dallas, Fort Worth, Houston, San Antonio, and El Paso receive HOPWA funds directly from HUD.

Within DSHS, the Epidemiology and Surveillance Branch collects morbidity reports on HIV and AIDS. AIDS reporting extends back to 1980 and is considered to be relatively complete. In Texas, the reporting of pediatric HIV cases began in 1994 and adult HIV infections began in 1999 and are consequently less complete due to the shorter time data have been collected. The following facts reflect the current statistics of the HIV/AIDS epidemic in Texas based on data reported in the 2009 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning.<sup>38</sup>

- The number of Texans living with HIV/AIDS in 2007 (62,714) has increased about 30% over the past five years.
- In 2007, one in 379 people were living with HIV/AIDS in Texas.
- The numbers and rates of PLWHA increased substantially for both sexes, across all races/ethnicities, and across all age groups except for those less than 13 years old.
- In 2007, the rate of Black PLWHA was 4-5 times higher than the rates of White and Hispanic PLWHA.
- The distribution of cases between sexes remained the same from 2003 to 2007, with over three quarters of living cases among males.

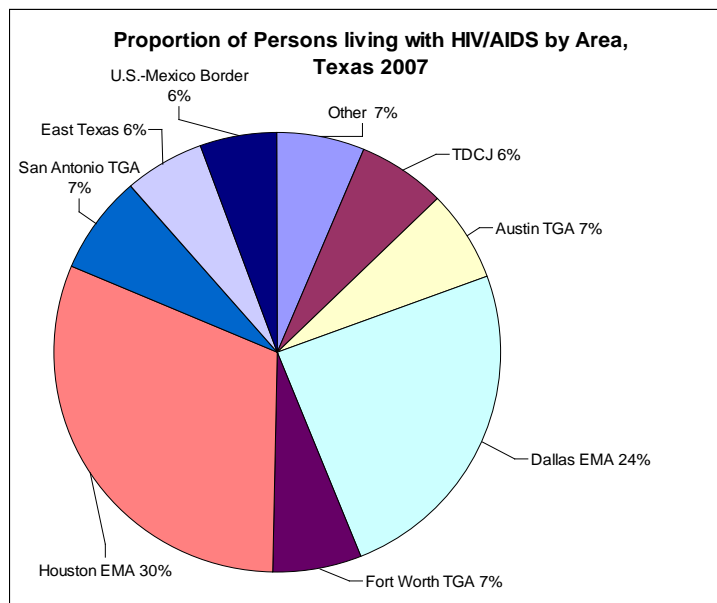
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<sup>37</sup>Texas Department of Health, HIV/STD Epidemiology Division, Surveillance Branch. Texas HIV/STD surveillance report: 2007 Annual Report. Austin, TX: 1. Retrieved from Texas HIV/STD Annual Report 2007; <http://www.dshs.state.tx.us/hivstd/info/annual/2007.pdf>

<sup>38</sup>2009 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning. Retrieved from <http://www.dshs.state.tx.us/hivstd/planning/EpiProfile.pdf>

## Housing and Homeless Needs Assessment

### Other Special Needs Population



### VICTIMS OF DOMESTIC VIOLENCE

According to the Texas Family Code 71.004, family violence may be defined as an act intended as a threat or to result in bodily harm by a member of a household towards another household member; abuse by a household member towards a child household member; or dating violence. In 2006, there were 186,868 reported family violence incidents in Texas and approximately 120 women were killed by their intimate partner. Also in 2006, 12,356 adults received shelter from their abusive relationships and 16,968 children received shelter.<sup>39</sup>

Victims of domestic violence may stay in a dangerous home situation because of fear of the abuser, belief that the abuser will take the children involved, self-blame, and limited financial options.<sup>40</sup> Services which may help domestic violence victims move to safety include physical protection services, legal protection of his or herself and any children involved, counseling, and employment assistance.

The Texas Health and Human Services Commission Family Violence Program funds over 70 shelters for domestic violence victims that offer various services including temporary emergency shelter, hotline services, information and referral, counseling, assistance in obtaining medical care and employment, and transportation services. Some shelters have transitional living centers, which allow victims to stay for an extended period and offer additional services.

### COLONIA RESIDENTS

According to Section 2306.581 of the Texas Government Code:

“Colonia” means a geographic area located in a county some part of which is within 150 miles of the international border of this state and that

<sup>39</sup> Texas Council on Family Violence. (2009). Abuse in Texas. Retrieved from <http://www.tcfv.org/resources/abuse-in-texas/>

<sup>40</sup> The National Center for Victims of Crime. (2008). Domestic violence. Retrieved from <http://www.ncvc.org/ncvc/main.aspx?dbName=DocumentViewer&DocumentID=32347>

(1) "Colonia" means a geographic area that is located in a county some part of which is within 150 miles of the international border of this state, that consists of 11 or more dwellings that are located in close proximity to each other in an area that may be described as a community or neighborhood, and that:

(A) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under Section 17.921, Water Code; or

(B) has the physical and economic characteristics of a colonia, as determined by the department.

Major issues affecting colonias include high rates of unemployment, extremely low-incomes, lack of sufficient infrastructure for water and sewer service, higher rates of certain diseases, lack of educational resources, substandard housing and use of contract for deed. The latter two issues are directly related to housing. Housing in colonias is often constructed by residents using only available materials; professional builders are not often used.<sup>41</sup> According to 2000 Census data, colonias have a 75 percent homeownership rate. Despite this rate, colonia homes are inadequate: 4.9 percent of colonia dwellings lack kitchen facilities and 5.3 percent lack plumbing facilities. It is estimated that 50 percent of colonia residents lack basic water and sewage systems: 51 percent use septic tanks, 36 percent use cesspools, 7 percent use outhouses, and 6 percent use other wastewater systems.<sup>42</sup>

Furthermore, properties in colonias are often purchased with contracts for deed, which are seller-financed transactions that do not transfer the title and ownership of the property to the buyer until the purchase price is paid in full. Contracts for deeds are often used in colonias because many residents do not have a credit history or qualification for a loan from a financial institution. Because of a lack of other options, contracts for deed often have high interest rates and are subject to abusive financial practices.<sup>43</sup>

Colonia residents have several needs that include increased affordable housing opportunities, such as down payment assistance and low-interest-rate loans, homeowner education, construction education and assistance, owner-occupied home repair, access to adequate infrastructure, and the conversion of remaining contracts for deed to conventional mortgages.

### ***MIGRANT FARMWORKERS***

According to the US Department of Health and Human Services Migrant and Seasonal Farmworker Enumeration Profiles Study in 2000, a seasonal farmworker describes an individual whose principal employment (at least 51 percent of time) is in agriculture on a seasonal basis and who has been so employed within the preceding twenty-four months; a migrant farmworker meets the same definition, but establishes temporary housing for purposes of employment. As of 2000, the US Department of Health and Human Services estimated that there are 362,724 migrant and seasonal farm workers and

<sup>41</sup> Federal Reserve Bank of Dallas. (n.d.). Texas colonias. Retrieved from <http://www.dallasfed.org/ca/pubs/colonias.html>.

<sup>42</sup> Moncada, N. (2001). A Colonias Primer. A briefing presented to the US Department of Housing and Urban Development. Retrieved from <http://www.nationalmortgagenews.com/nmn/plus93.htm>.

<sup>43</sup> Federal Reserve Bank of Dallas. (n.d.). Texas colonias. Retrieved from <http://www.dallasfed.org/ca/pubs/colonias.html>.

## ***Housing and Homeless Needs Assessment***

### ***Other Special Needs Population***

families residing in Texas (p. 13-18). Of this population, 26 percent reside in Cameron, Hidalgo, and Starr Counties. <sup>44</sup>

The National Agricultural Workers Survey, a national survey that collected information from 6,472 crop farm workers conducted between October 1, 2000 and September 30, 2002, found that 30 percent lived below the poverty level. The average family income for crop workers was between \$15,000 and \$17,499. The study found that 42 percent of the crop workers in the study were migrants, defined as having traveled 75 or more miles within one year for work. The average age of crop workers was 33 and half were younger than 31. Crop workers are predominantly male at 79 percent.<sup>45</sup>

Farmworkers have a particularly difficult time finding available, affordable housing because of extremely low and sporadic incomes and mobility. Many of the small, rural communities where migrant workers may seek employment do not have the rental units available for the seasonal influx. Overcrowding and substandard housing are significant housing problems for farmworkers.<sup>46</sup> In addition, migrant workers may not be able to afford security deposits, pass credit checks, or commit to long-term leases.

### ***PUBLIC HOUSING RESIDENTS***

Beginning in the 1930s, local public housing authorities (PHA) built and managed properties for low-income residents primarily through funding provided by the U.S. Department of Housing and Community Affairs (HUD). Most of the public housing developments were completed in the 1970s. By 1993, HUD created HOPE VI to replace deteriorating public housing stock with mixed-income developments. Nationwide in the mid-1990s, 61 percent of public housing is located in the central city, 19 percent in the suburbs, and 20 percent in non-metropolitan areas. The median length of stay in public housing is 4.7 years and families with children stay a median of 3.2 years.<sup>47</sup>

For the 18-month period ending September 30, 2008, HUD reported characteristics of 930,681 public housing residents. Notable demographics were as follows: 45.4 percent were black or African American and 51 percent were white; 22.8 percent were Hispanic or Latino and 77.2 percent were not Hispanic or Latino; 75 percent were female and 25 percent were male; 34 percent were households reporting a disability; 40.7 percent were households with children.<sup>48</sup>

A study in 2002 found that a majority of public housing residents were employed or searching for employment. However, most residents worked part-time, low-paying jobs offering no fringe benefits.<sup>49</sup>

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<sup>44</sup> Larson, A. (2000, September). Migrant and seasonal farmworker enumeration profiles study: Texas. *US Department of Health and Human Services, Health Resources and Services Administration, Bureau of Primary Health Care*. Retrieved from <http://www.ncfh.org/enumeration/PDF10 Texas.pdf>

<sup>45</sup>Carroll et al. (2005, March). Findings from the National Agricultural Workers Survey (NAWS) 2001-2002: A demographic and employment profile of United States Farm Workers. *US Department of Labor, Office of the Assistance Secretary for Policy, and Office of Programmatic Policy*. Retrieved from [http://www.doleta.gov/agworker/report9/naws\\_rpt9.pdf](http://www.doleta.gov/agworker/report9/naws_rpt9.pdf).

<sup>46</sup> Holden, C. (2001, October). Monograph no. 8: housing. Buda, TX: national center for farmworker health inc. *Migrant Health Issues: 40*. Retrieved from <http://www.ncfh.org/docs/08%20-%20housing.pdf>

<sup>47</sup> Turner, M. A. & Kingsley, G. T. (2008, December). Federal programs for addressing low-income housing needs: A policy primer. *The Urban Institute*. Retrieved from [http://www.urban.org/uploadedPDF/411798\\_low-income\\_housing.pdf](http://www.urban.org/uploadedPDF/411798_low-income_housing.pdf).

<sup>48</sup> U.S Department of Housing and Urban Development. (n.d.). The state of fair housing: FY 2008 annual report on fair housing. Retrieved from <http://www.hud.gov/content/releases/fy2008annual-rpt.pdf>.

<sup>49</sup> Martinez, J. M. (2002, September). The employment experiences of public housing residents: Findings from the jobs-plus baseline survey. Retrieved from <http://www.mdrc.org/publications/25/overview.html>.

Public housing residents may have educational barriers or transportation barriers that prevent them from transitioning to market-rate housing.<sup>50</sup>

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<sup>50</sup> Turner, M. A. & Kingsley, G. T. (2008, December). Federal programs for addressing low-income housing needs: A policy primer. *The Urban Institute*. Retrieved from [http://www.urban.org/uploadedPDF/411798\\_low-income\\_housing.pdf](http://www.urban.org/uploadedPDF/411798_low-income_housing.pdf).

## **ESTIMATED UNITS WITH LEAD-BASED PAINT**

The Consumer Product Safety Commission banned the use of lead-based paint in housing in 1978. According to the 2000 Census, there are 3,344,406 housing units in Texas that were built before 1979, many of which potentially contain lead-based paint. Of these homes, 2,764,745 are occupied by low-income households and 579,661 are occupied by moderate-income households. According to the National Safety Council, approximately 38 million US homes contain lead paint.<sup>51</sup> These homes are disproportionately older housing stock typical to low-income neighborhoods, and the potential for exposure increases as homeowners and landlords defer maintenance. This older housing stock is the target of rehabilitation efforts and is often the desired “starter home” of a family buying their first home.

Lead in housing can come from a variety of sources, including, but not limited to, the following:

- Lead dust from moving parts of windows and doors that are painted with lead-based paint
- Lead dust and paint chips containing lead are produced when lead-based paint is scraped, rubbed, hit, exposed to weather, or when wind, aging, damage, and/or moisture causes paint to peel
- Lead-based paint on wood trim, walls, cabinets in kitchens and bathrooms, fences, lamp posts, etc.
- Soil contaminated from lead-based paint and leaded gasoline
- Drinking water where old lead pipes or lead solder was used

Lead contamination can occur by eating paint chips or soil that contains lead, by putting hands or other objects covered with lead dust in the mouth, or inhaling lead dust. In adults, lead inhalation or ingestion can cause fertility problems, muscle and joint pain, nerve damage, memory or concentration problems, and increase blood pressure.<sup>52</sup> In children, which are especially vulnerable to lead poisoning because their brains and nervous systems are still developing, even low levels of lead can cause learning disabilities, attention deficit disorders, stunted growth, behavior problems, and kidney damage.<sup>53</sup> In cases of high exposure, lead poisoning can also cause death.

For actions taken or proposed by the State to address these hazards, please see the Lead-Based Paint Hazard Mitigation section of the Strategic Plan.

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<sup>51</sup> National Safety Council. (2009). Lead poisoning happens more than you think. Retrieved from <http://www.nsc.org/resources/issues/lead.aspx>.

<sup>52</sup> U.S. Environmental Protection Agency and U.S. Department of Housing and Community Affairs. (2003). Protect your family from lead in your home. Retrieved from <http://www.epa.gov/lead/pubs/leadpdf.pdf>.

<sup>53</sup> National Safety Council. (2009). Lead poisoning happens more than you think. Retrieved from <http://www.nsc.org/resources/issues/lead.aspx>.

## **HOUSING MARKET ANALYSIS**

### **§ 91.310 Housing market analysis.**

- (a) **General characteristics.** Based on data available to the State, the plan must describe the significant characteristics of the State's housing markets (including such aspects as the supply, demand, and condition and cost of housing).
- (b) **Homeless facilities.** The plan must include a brief inventory of facilities and services that meet the emergency shelter, transitional housing, permanent supportive housing, and permanent housing needs of homeless persons within the state. The inventory should also include (to the extent the information is available to the state) an estimate of the percentage or number of beds and supportive services programs that are serving people that are chronically homeless.
- (c) **Special need facilities and services.** The plan must describe, to the extent information is available, the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing.
- (d) **Barriers to affordable housing.** The plan must explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing in the State are affected by its policies, including tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.

(Approved by the Office of Management and Budget under control number 2506-0117)

[60 FR 1896, Jan. 5, 1995; 60 FR 4861, Jan. 25, 1995, as amended at 71 FR 6967, Feb. 9, 2006]

## GENERAL CHARACTERISTICS

This section inventories the state's available housing based on its age and condition, unit size, affordability, and occupancy.

Housing unit affordability measures compare housing cost to local area median income. Affordable units are defined, for purposes of this Consolidated Plan, as units for which a family—at one of three specified points on the low income scale (30, 50, and 80 percent)—pays no more than 30 percent of their income for rent or no more than 2.5 times their annual income to purchase.

Note that estimates of affordable housing supply by income category are actually somewhat inflated. This is because affordability is computed for households at the top of each income range, meaning that households in the lower part of the income range would have to pay more than 30 percent of their income for some of the units which are considered affordable to them.

### AGE OF HOUSING STOCK

The age of the housing stock provides an indication of its relative condition. Older units are more likely to require repairs, are more costly to repair and renovate, may not contain desired amenities, and are more likely to contain lead paint hazards than more recently constructed units. Lead paint hazards vary for each individual unit, but units built before 1960 present a significant risk for occupants with young children. The allowable lead content of paint declined after 1960 and was completely eliminated by 1978.

Between 2005 and 2007, 18.6 percent of all units in Texas were built before 1960; more than twice as many of these units were occupied by owners than renters (see Figure 2.1a). Twenty-nine point eight percent of all housing units in Texas were built between 1960 and 1979. The highest percent (36.1 percent) of all units were built between 1980 and 1999. The lowest percent (15.4 percent) of all units were built by 2000 or later; more than twice the number of the newest units are occupied by owners rather than renters. Figure 2.1b shows the distribution of occupied units by year built.

**Figure 2.1a: Distribution of Occupied Units by Year Built - Texas, 2005-2007**

Occupied Units	1959 or earlier	1960-1979	1980-1999	2000 or later	Total
Renter	475,923	951,845	1,008,167	380,175	2,816,110
Owner	1,034,667	1,462,259	1,916,246	865,742	5,278,915
Total	1,505,675	2,412,317	2,922,304	1,246,634	8,086,930*

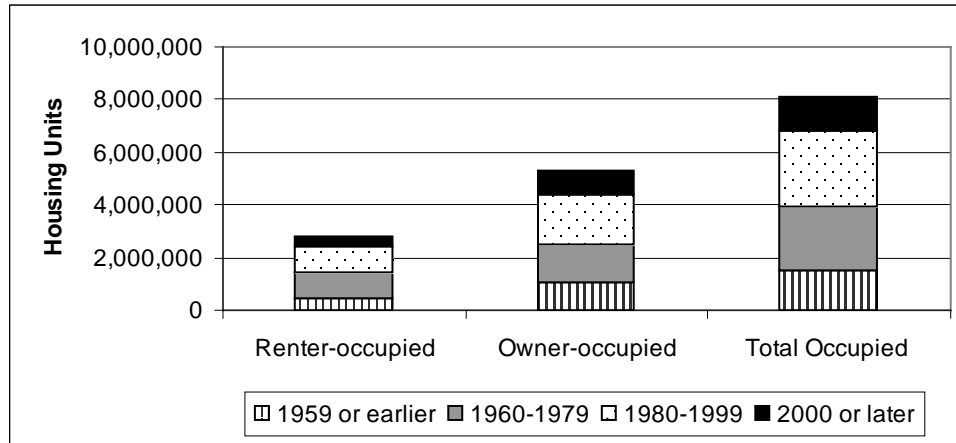
Occupied Units	1959 or earlier	1960-1979	1980-1999	2000 or later
Renter	16.9%	33.8%	35.8%	13.5%
Owner	19.6%	27.7%	36.3%	16.4%
Total	18.6%	29.8%	36.1%	15.4%

\* Total occupied housing units are 8,095,025 according to the American Community Survey. The discrepancy between totals is due to margin of error in percentages.

Source: 2005-2007 American Community Survey 3-Year Estimates, Physical Housing Characteristics for Occupied Housing Units.



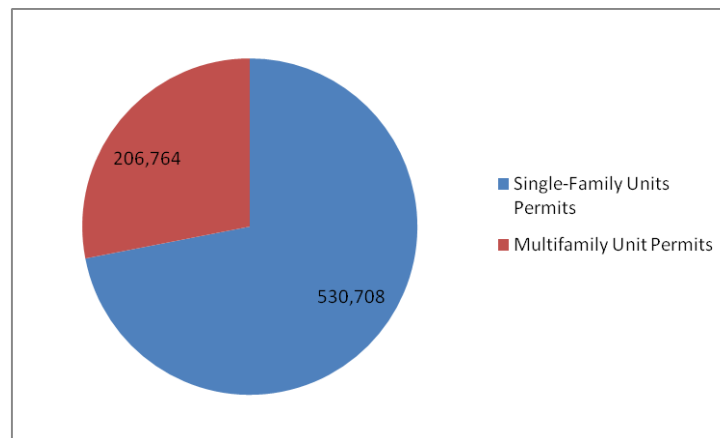
Figure 2.1b: Distribution of Occupied Units by Year Built - Texas, 2005-2007



Source: 2005-2007 American Community Survey 3-Year Estimates, Physical Housing Characteristics for Occupied Housing Units

Figure 2.2a and 2.2b provides the number of single and multifamily building permits issued between 2005 and 2008. At least 737,472 new units were added to Texas’s housing stock during this time period. Of the total, approximately 28 percent of the permits were multifamily units and approximately 72 percent were single-family dwellings.<sup>54</sup>

Figure 2.2a: Building Permits Issued - Texas, 2005–2008



Source: Real Estate Center at Texas A&M University

Notably, fewer permits for single-family were issued for both single-family and multifamily permits between 2007 and 2008 (see Figure 2.2b). Single-family permits decreased 33 percent, multifamily permits for two-to-four unit complexes decreased 44 percent and multifamily permits for five-or-more units decreased 12 percent.<sup>55</sup>

<sup>54</sup> Real Estate Center. (2009). Building permit activity. Texas A&M University. Retrieved from <http://recenter.tamu.edu/data/databp.html>

<sup>55</sup> Ibid.

## Housing Market Analysis

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### General Characteristics

**Figure 2.2b: Building Permits Issued - Texas, 2005–2008**

<b>Building Permits Issued</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Single-family Unit Permits	166,203	163,032	120,366	81,107
Multifamily 2-4 Unit Permits	5,760	6,623	5,346	2,979
Multifamily 5+ Unit Permits	38,671	47,271	53,196	46,918

Source: Real Estate Center at Texas A&M University

While multifamily complexes of two-to-four units decreased in value approximately 1 percent from 2006 to 2007 and multifamily complexes of five-or-more decreased approximately 9 percent from 2007 to 2008, single-family units increased in value each year from 2005 to 2008 (see Figure 2.2c). This statistic must take into account the more modest increase in value single-family units experienced each year and the dramatic increase in value multifamily units experienced in 2005 and 2006.<sup>56</sup>

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<sup>56</sup> Ibid.

**Figure 2.2c: Average Value per Dwelling Unit - Texas, 2005–2008**

Average Value per Dwelling Unit	2005	2006	2007	2008
Single-family Units Value % Change	5%	7%	9%	3%
Multifamily 2-4 Unit Value % Change	20%	22%	-1%	3%
Multifamily 5+ Unit Value % Change	22%	13%	11%	-9%

Source: Real Estate Center at Texas A&M University

Figure 2.3 shows the distribution of units by year built and affordability category in 2000. These figures demonstrate that most affordable housing units are older units and therefore have the potential for more housing problems. While 21.5 percent of all housing units were built before 1960, the percentages are greater for low-income units: 28 percent of all units affordable to households at 50 percent or less of HAMFI. The numbers also show that, of the units constructed in the last decade, only a small portion is affordable to low-income households. Only 30 percent of all housing units built between 1980 and 2000 are affordable to households at 50 percent or less of HAMFI, and only 28 percent of rental units built between 1980 and 2000 are affordable to this income group.

**Figure 2.3: Distribution of Units by Year Built and Affordability Category – Texas, 2000**

Before 1960	0-50%	51-80%	Above 80%
Renter	314,271	158,310	32,690
Owner	703,569	203,166	171,528
Total	204,218	361,476	204,218

1960-1979	0-50%	51-80%	Above 80%
Renter	487,010	484,307	74,650
Owner	737,354	490,380	300,793
Total	1,224,364	974,687	375,443

1980-2000	0-50%	51-80%	Above 80%
Renter	310,862	602,888	198,119
Owner	658,805	639,468	794,982
Total	969,667	1,242,356	993,101

Total Occupied Units	0-50%	51-80%	Above 80%
Renter	1,112,143	1,245,505	305,459
Owner	2,099,728	1,333,014	1,267,303
Total	3,211,871	2,578,519	1,572,762

## SIZE DISTRIBUTION OF HOUSING UNITS

Figures 2.4a and 2.4b demonstrate that there is a disproportionate amount of four or more room units in Texas. Figure 2.4c shows that owner units have almost three times the number of four or more room units than renter units. Because larger units tend to be more expensive than smaller units, the disproportionate number of large units leaves the existing housing stock even more inaccessible to low-income families.

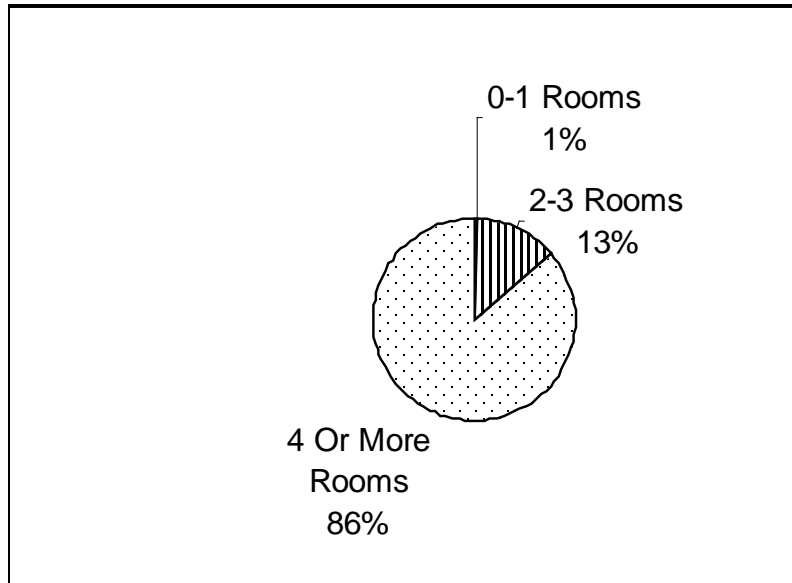
# Housing Market Analysis

## General Characteristics

**Figure 2.4a: Distribution of Units by Size - Texas, 2005-2007**

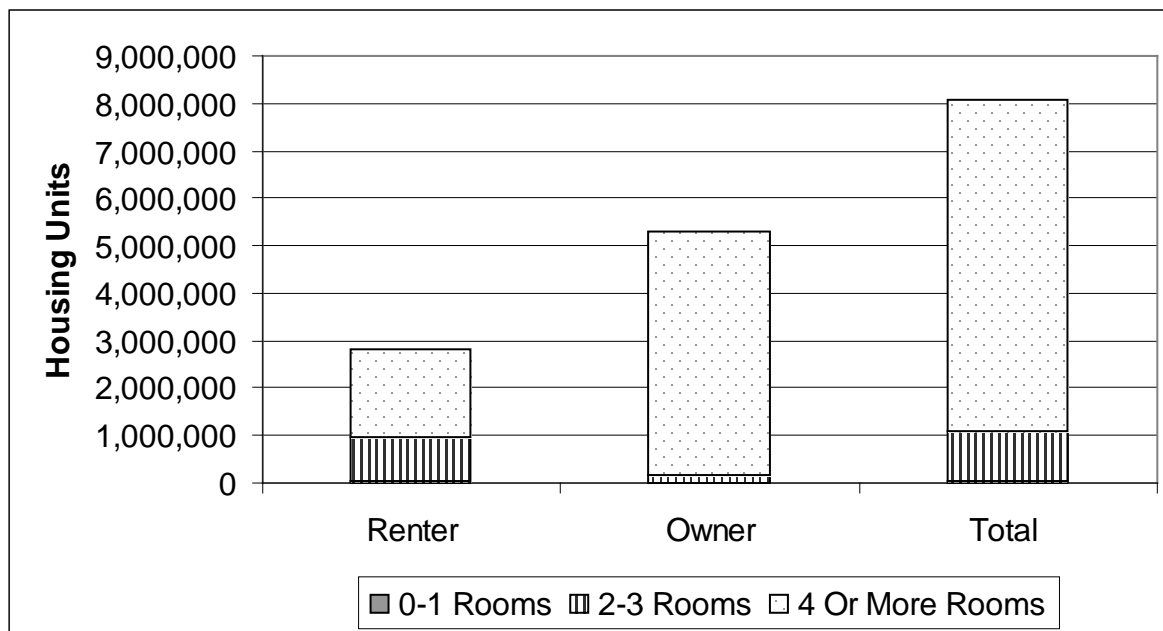
Units by Size	0-1 Rooms	2-3 Rooms	4 Or More Rooms	Total Units
Renter Occupied	30,977	918,052	1,869,897	2,818,926
Owner-Occupied	5,279	147,810	5,125,826	5,278,915
Total Occupied	40,475	1,060,448	6,994,102	8,095,025

**Figure 2.4b: Distribution of Units by Size, Total Occupied Housing Units - Texas, 2005-2007**



Source: 2005-2007 American Community Survey 3-Year Estimates, Physical Housing Characteristics for Occupied Housing Units

**Figure 2.4c: Distribution of Units by Size - Texas, 2005-2007**



Source: 2005-2007 American Community Survey 3-Year Estimates, Physical Housing Characteristics for Occupied Housing Units

## HOUSING AFFORDABILITY

Figures 2.5a and 2.5b shows the distribution of housing units throughout Texas by affordability category. As previously mentioned, it should be noted that estimates of affordable housing supply by income category are actually somewhat inflated. This is because affordability is computed for households at the top of each income range, meaning that households in the lower part of the income range would have to pay more than 30 percent of their income for some of the units which are considered affordable to them.

Housing affordability remains a significant problem for many low-income families. A study by the National Low Income Housing Coalition found that in no county in the U.S. can a person afford a one-bedroom unit at the local Fair Market Rent (FMR) when working full time at the minimum wage. The same study indicates that an individual working at minimum wage (\$6.55/hr) would have to work 94 hours a week to afford a two bedroom apartment at FMR. On average in Texas, an individual would need to earn \$15.38 an hour with a forty hour workweek to afford a two-bedroom apartment at FMR.<sup>57</sup>

As illustrated in Figures 2.5a and 2.5b, about 44 percent of the total housing stock is affordable to households with incomes at 0-50 percent of HAMFI. An additional 35 percent of the housing stock is affordable to households with incomes at 51-80 percent of HAMFI. This means that a total of 79 percent of the housing stock in Texas, or 89 percent of the rental stock and 73 percent of the owner stock, is affordable at 80 percent of HAMFI.

As will be shown later, this seeming availability of affordable housing does not translate into an affordable housing surplus. For a variety of reasons, affordable housing is not available to many low-income families. Major reasons include housing size mismatches, the unequal geographic distribution of affordable housing units, and limitations on the supply of affordable housing because of occupation by higher income groups.

The information presented in Figures 2.5a and 2.5b must be considered together with information portrayed in the next section, Housing Mismatch. As the section on Housing Mismatch will illustrate, the majority of affordable housing is often occupied by persons in higher income levels.

**Figure 2.5a: Distribution of Housing Units by Affordability Category - Texas, 2000**

Number of Units	0-50%	51-80%	> 80%	Total
Renter	1,260,318	1,327,506	328,891	2,916,715
Owner	2,158,084	1,355,740	1,279,595	4,793,419
Total	3,418,402	2,683,246	1,621,592	7,723,240

Percent of Units	0-50%	51-80%	> 80%	
Renter	43.2%	45.5%	11.3%	
Owner	45.0%	28.3%	26.7%	
Total	44.3%	34.7%	21.0%	

<sup>57</sup> National Low Income Housing Coalition. (2009). Out of reach. Retrieved from <http://www.nlihc.org/oor/oor2009/oor2009pub.pdf>

## Housing Market Analysis

### General Characteristics

**Figure 2.5b: Distribution of Housing Units by Affordability Category – Texas, 2000**

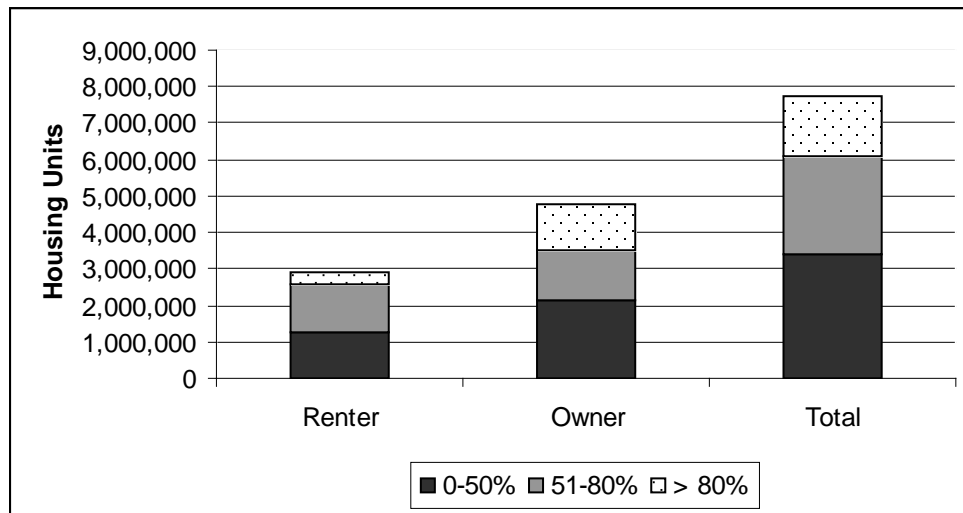


Figure 2.5d shows the housing affordability index as calculated by the Real Estate Center at Texas A&M University. This index is the ratio of median family income to the income required to qualify for an 80 percent, fixed-rate mortgage to purchase the median-priced home; the higher the affordability index number, the more affordable the Multiple Listing Service (MLS) Area. From 2003 to 2007, 100% of the MLS Areas in Texas that reported data during this timeframe had a lower affordability index in 2007 than in 2003, indicating a decrease in affordability. This trend reversed from 2007 to 2008 when 76% of the reported MLS Areas had a higher affordability index in 2008 than in 2007, indicating an increase in affordability. However, only 14% of the reported MLS Areas had higher affordability indexes in 2008 than they had in 2003, indicating an overall decrease in affordability for homebuyers in the state.

Figure 2.5d: Housing Affordability Index, - Texas, 2003-2008

MLS Area	2003	2004	2005	2006	2007	2008
Abilene	2.83	2.71	2.32	1.9	1.78	2.01
Amarillo	2.25	2.21	2.01	1.81	1.7	1.84
Arlington	2.23	2.27	2.13	1.97	1.91	2.11
Austin	1.89	1.9	1.8	1.62	1.53	1.56
Bay Area	1.95	2.01	1.9	1.68	1.52	1.67
Beaumont	2.16	2.1	2.03	1.75	1.62	1.68
Brazoria County	-	2.79	-	2.2	2.1	2.16
Brownsville	1.54	1.5	1.3	1.25	1.06	1.44
Bryan-College Station	1.88	1.9	1.8	1.55	1.5	1.64
Collin County	2.53	2.44	2.36	2.1	1.28	2.08
Corpus Christi	2	1.8	1.62	1.48	1.37	1.46
Dallas	1.94	1.89	1.83	1.68	1.59	1.77
Denton	2.17	2.08	2.05	1.87	1.54	1.98
El Paso	1.78	1.74	1.5	1.24	1.13	1.17
Fort Bend	2.27	2.27	2.14	1.89	1.32	1.92
Fort Worth	2.72	2.69	2.43	2.19	2.1	2.35
Galveston	2.04	1.91	1.6	1.28	1.34	1.33
Garland	2.61	2.57	2.55	2.4	2.37	2.71
Harlingen	-	1.61	-	1.44	1.4	1.55
Houston	1.95	1.99	1.87	1.65	1.54	1.72
Irving	2.44	2.38	2.33	2.13	1.83	1.88
Killeen-Fort Hood	2.33	2.2	2.03	1.78	1.74	1.88
Laredo	-	-	-	-	-	1.26
Longview-Marshall	2.28	2.21	2.05	1.74	1.57	1.71
Lubbock	2.19	-	2.06	1.93	1.91	1.93
Lufkin	2.96	2.17	2.09	1.86	1.83	1.95
McAllen	-	1.33	1.27	1.1	1	1.34
Midland	-	-	-	-	-	-
Montgomery County	2.1	2.1	1.89	1.69	1.37	1.75
Nacogdoches	2.09	1.73	2.66	1.89	1.47	1.1
Northeast Tarrant County	1.81	1.8	1.72	2.02	1.51	2.27
Odessa	-	-	-	-	-	1.2
Palestine	-	-	-	2.44	2.06	1.56
Paris	2.35	2.66	-	2.14	2.28	2.07
Port Arthur	2.78	2.67	2.73	2.22	1.92	2.63
San Angelo	2.3	2.23	2.18	1.9	1.88	1.82
San Antonio	1.92	1.87	1.63	1.5	1.47	2.09
San Marcos	-	-	-	1.78	2.02	1.69
Sherman-Denison	2.58	-	2.37	2.22	2.23	1.62
Temple-Belton	2.11	2.08	2.66	1.7	1.71	2.43
Texarkana	2.38	2.2	2.08	2.05	1.72	1.8
Tyler	1.93	1.83	1.77	1.61	1.55	2.24
Victoria	2.39	2.34	2.25	1.88	1.66	1.61
Waco	2.02	2.1	1.89	1.8	1.78	1.62
Wichita Falls	3.59	2.46	2.17	2.06	2.06	1.92
Texas	1.81	1.77	1.68	1.52	1.45	2.39

Source: Real Estate Center at Texas A&M University.

Note: The symbol “-” indicates nonparticipation in the survey.

## **CONDITION OF THE HOUSING STOCK**

The analysis of the condition of Texas's housing stock includes evaluating the amount of vacant and abandoned housing units and their suitability for rehabilitation. According to the 2005 – 2007 American Community Survey, approximately 1,129,327 housing units in Texas (13.9 percent) are considered vacant. According to the US Census, the definition of a vacant housing unit is one in which no one is living at the time of the interview. A vacant unit may be one which is entirely occupied by persons who have a usual residence elsewhere.

Not all vacant housing units are abandoned. However, due to the size of the state and the complexity of assessing abandoned housing units, TDHCA does not currently estimate the number of abandoned housing units in Texas. TDHCA has adopted a definition of abandoned housing such that “a home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.” Though the above definition is used primarily by the Neighborhood Stabilization Program, TDHCA has adopted this definition as a Department.

If a housing unit is determined to be vacant or abandoned, the determination of that unit's suitability for rehabilitation varies by program. The HOME division takes each housing unit on a case-by-case basis accounting for factors such as property value, construction costs and type of rehabilitation to determine if the unit is suitable for rehabilitation; HOME does not have a set threshold to determine rehabilitation. ESGP has three eligible types of rehabilitation with subtly different definitions of what is considered a suitable unit. ESGP considers a housing unit suitable for conversion rehabilitation where the cost of rehabilitation would exceed 75 percent of the value of the building after conversion. A unit is suitable for major rehabilitation if the costs of rehabilitation exceed 75 percent of the value of the building prior to rehabilitation or conversion. Finally, ESGP considers a housing unit suitable for renovation rehabilitation where the costs of rehabilitation are 75 percent or less of the value of the building.

To address the condition of the housing stock, the CDBG Program has established thresholds, such as the maximum amount of dollars per home, and a process to select homes for rehabilitation. The CDBG Program will consider adjustments based on a specific request from the recipient and that household's circumstances. Vacant and abandoned housing units are not precluded from consideration. The grant recipient is responsible for establishing priority based on local housing needs.



## **HOUSING MISMATCH**

The following figures compare demand and supply of affordable housing by looking at the number of households and housing units in different affordability categories. For each income category, it has been assumed that households are matched to units in their affordability range. In actuality, however, higher income households often reside in units that could be affordable to the lowest-income households. For example, households that have incomes greater than 80 percent of the median income greatly outnumber the housing units in this specific affordability category. Households in this category can afford units in any of the defined affordability categories. Non-low-income households often limit the supply of affordable housing units available to low-income households. Therefore, estimates of housing shortfalls should be treated as lower-bound estimates, and estimates of housing surplus are undoubtedly overstated.

Figures 2.6a and 2.6b describe the housing market interaction of various income groups and housing costs. These figures show the income classifications of the occupants of housing units. These figures also illustrate the housing market mismatch between housing units and income groups. For example, very low-income households (0-50 percent of HAMFI) account for only about one-third of all the occupants of housing that is affordable to them. All low-income households (0-80 percent of HAMFI) make up only 48 percent of all households occupying housing affordable to them. These figures illustrate housing market mismatches as well as an implicit excessive cost burden for those households that are residing in units beyond their affordability category.

## Housing Market Analysis

### General Characteristics

**Figure 2.6a**  
**Occupied Affordable Housing Units by Income Group of Occupant – Texas, 2000**  
*By percentage of HAMFI*

<b>Number of Renter units</b>	<b>Total</b>	<b>50% or less</b>	<b>51-80%</b>	<b>Above 80%</b>
Affordable to 0-50% HAMFI	1,112,083	588,198	246,476	277,409
Affordable to 51-80% HAMFI	1,245,842	346,703	301,491	597,648
Affordable to >80% HAMFI	305,135	52,391	41,485	211,259

<b>Percent of Renter units</b>	<b>Total</b>	<b>50% or less</b>	<b>51-80%</b>	<b>Above 80%</b>
Affordable to 0-50% HAMFI	100.0%	52.9%	22.2%	24.9%
Affordable to 51-80% HAMFI	100.0%	27.8%	24.2%	48.0%
Affordable to >80% HAMFI	100.0%	17.2%	13.6%	69.2%

<b>Number of Owner units</b>	<b>Total</b>	<b>50% or less</b>	<b>51-80%</b>	<b>Above 80%</b>
Affordable to 0-50% HAMFI	2,099,253	549,469	458,002	1,091,782
Affordable to 51-80% HAMFI	1,331,792	136,016	165,496	1,030,280
Affordable to >80% HAMFI	1,266,738	78,725	81,390	1,106,623

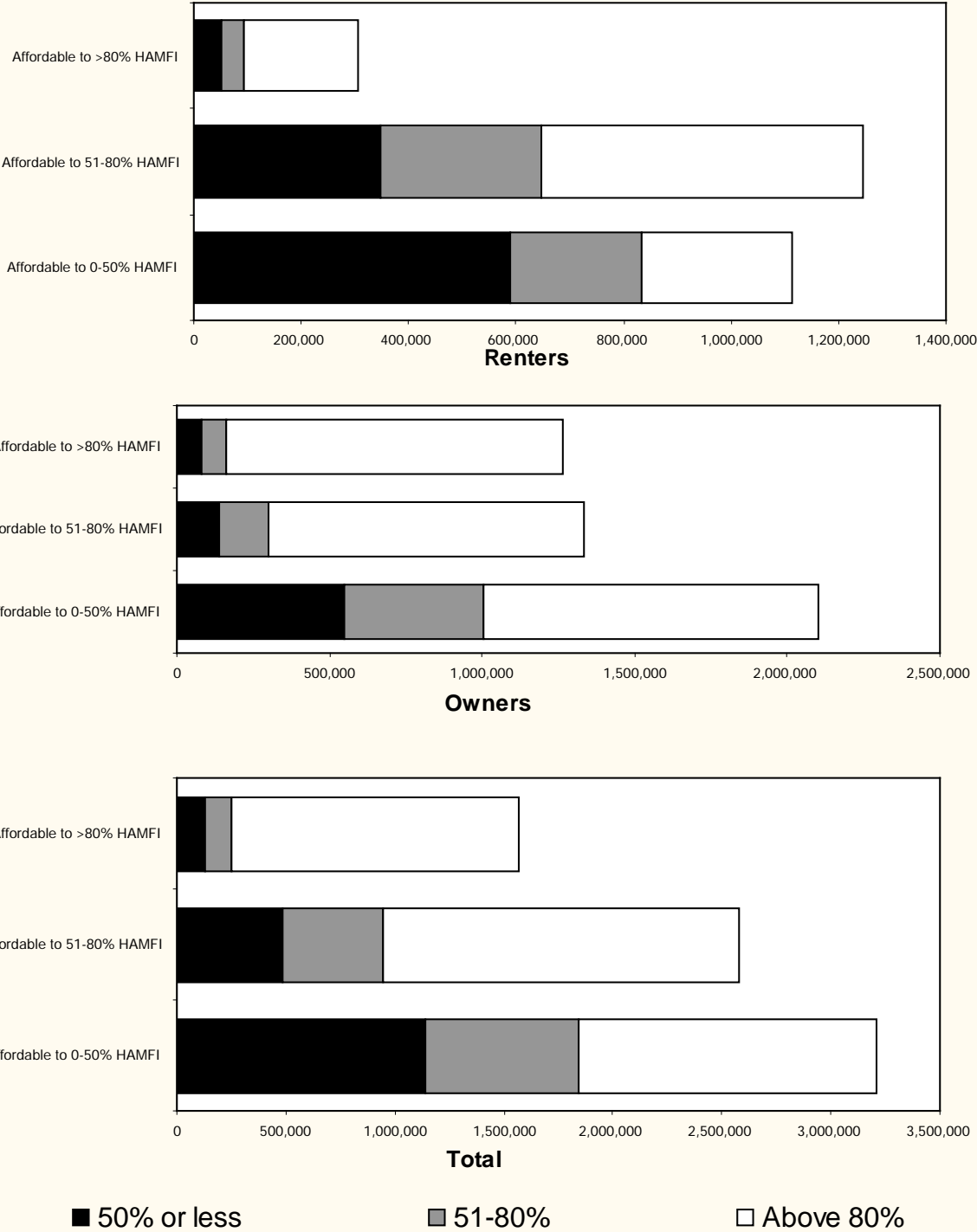
<b>Percent of Owner units</b>	<b>Total</b>	<b>50% or less</b>	<b>51-80%</b>	<b>Above 80%</b>
Affordable to 0-50% HAMFI	100.0%	26.2%	21.8%	52.0%
Affordable to 51-80% HAMFI	100.0%	10.2%	12.4%	77.4%
Affordable to >80% HAMFI	100.0%	6.2%	6.4%	87.4%

<b>Number of Total units</b>	<b>Total</b>	<b>50% or less</b>	<b>51-80%</b>	<b>Above 80%</b>
Affordable to 0-50% HAMFI	3,211,336	1,137,667	704,478	1,369,191
Affordable to 51-80% HAMFI	2,577,634	482,719	466,987	1,627,928
Affordable to >80% HAMFI	1,571,873	131,116	122,875	1,317,882

<b>Percent of Total units</b>	<b>Total</b>	<b>50% or less</b>	<b>51-80%</b>	<b>Above 80%</b>
Affordable to 0-50% HAMFI	100.0%	35.4%	21.9%	42.6%
Affordable to 51-80% HAMFI	100.0%	18.7%	18.1%	63.2%
Affordable to >80% HAMFI	100.0%	8.3%	7.8%	83.8%

Source: CHAS database

**Figure 2.6b**  
**Distribution of Housing Units by Affordability Category, 2000**



Source: CHAS database

#### **LOW-INCOME AND MINORITY CONCENTRATIONS**

A concentration of low-income populations is defined as a percentage of the county population for individuals under the poverty line that is higher than the average of all counties' percentages for individuals under the poverty line. In each Texas county, the percentage of individuals under the poverty line ranges from 4.6% in Rockwall County to 50.8 percent in Starr County. The average percent for all 254 counties' populations under the poverty line is 17.3 percent. Therefore, if a county's percentage of the population for those under the poverty line is greater than 17.3 percent, there is a concentration of poverty relative to the state of Texas. There are 116 counties out of 254 counties that have a concentration of poverty. The highest concentrations of poverty are found along the Texas-Mexico border, though there are many counties in the Panhandle and east Texas that also have concentrations of poverty. To ensure a consistent state-wide measurement of low-income populations, the federal poverty line from the 2000 Census is the measurement used for low-income populations. The poverty line for 2000 was \$8,350 for a family of one and \$17,050 for a family of four. (Note: The average county poverty level should not be confused with the statewide poverty level, which was 15.4% in 2000. The statewide poverty level is calculated by dividing the total number of Texans under the poverty line by the total population in Texas.)

Similarly, a concentration of racial minority populations is defined as a percentage of the county population for racial minorities that is higher than the average of all counties' percentages of racial minorities. While there is a range of racial minority percentages from 3.5 percent in Roberts County to 43.0 percent in Fort Bend County, the average percent of racial minorities for all 254 counties is 20.0 percent. Therefore, if a county's percentage of racial minorities is greater than 20.0 percent, there is a concentration of minorities relative to the state of Texas. There are 127 counties in Texas with a concentration of minorities. These concentrations appear to be in many rural areas. To obtain a consistent state-wide measurement of minority populations, all races except white are counted as minorities. This percentage was calculated using the 2000 Census so that each county could be evaluated for concentrations.

Furthermore, TDHCA calculated a concentration of ethnic minorities. Ethnic minorities are defined as Hispanics per the 2000 census designation. The range of the percentage of ethnic minorities is 1.7 percent in Cass County and 97.5 percent in Starr County. The average percentage of ethnic minorities in all 254 counties is 27.5 percent. If a county has a percentage of ethnic minorities greater than 27.5 percent, the county has a concentration of ethnic minorities relative to the state of Texas. There are 98 counties in Texas with a concentration of ethnic minorities. Most are located along the Texas-Mexico border.

The following figures illustrate the concentrations of low-income, racial minorities and ethnic minorities in the state of Texas. Any areas with concentrations of these populations are shown in a gradient of gray to black. Thirty-five percent of Texas counties (89 counties) have concentrations of poverty as well as concentrations of racial and/or ethnic minorities. Sixteen percent of Texas counties (42 counties) have concentrations of poverty and racial and ethnic minorities. Concentrations of all three populations are mainly found along the Texas-Mexico border. The correlations between concentrations of poverty and concentrations of racial and ethnic minorities can be seen in *Figure 27d: Demographic Concentrations – Texas, 2000* and *Figure 27e: Counties with Concentrations of Poverty and Racial and/or Ethnic Minorities – Texas, 2000*.

Figure 27a: Concentrations of Texas Population Under the Poverty Line – Texas, 2000

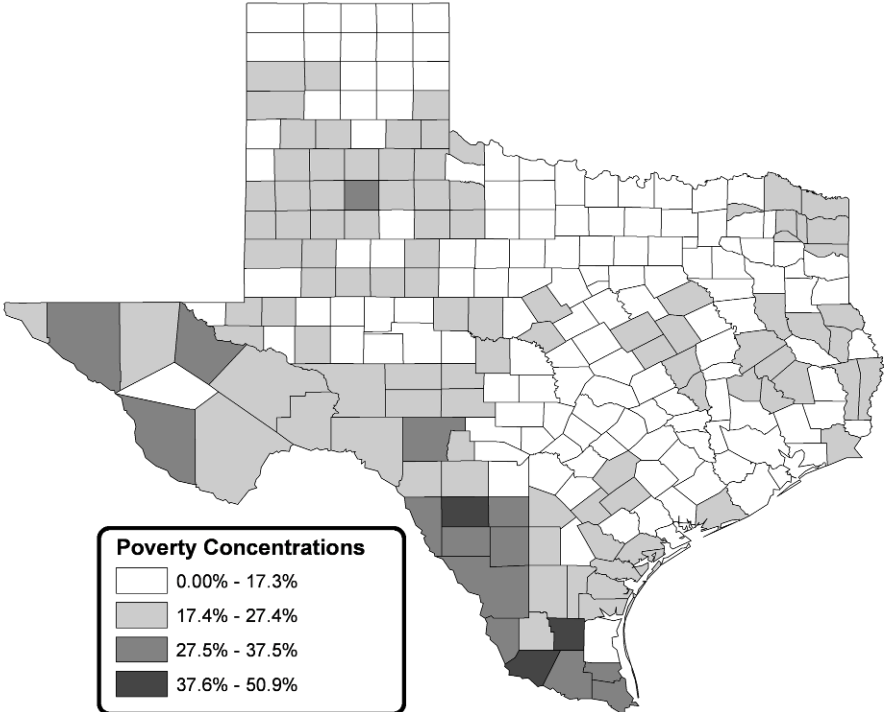


Figure 27b: Concentrations of Racial Minorities – Texas, 2000

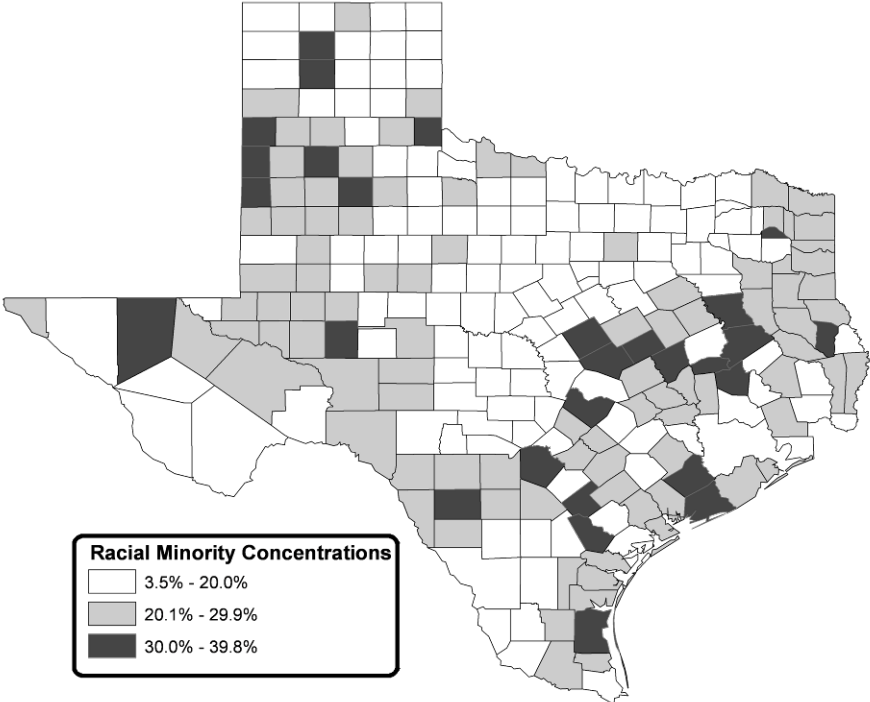


Figure 27c: Concentrations of Ethnic Minorities – Texas, 2000

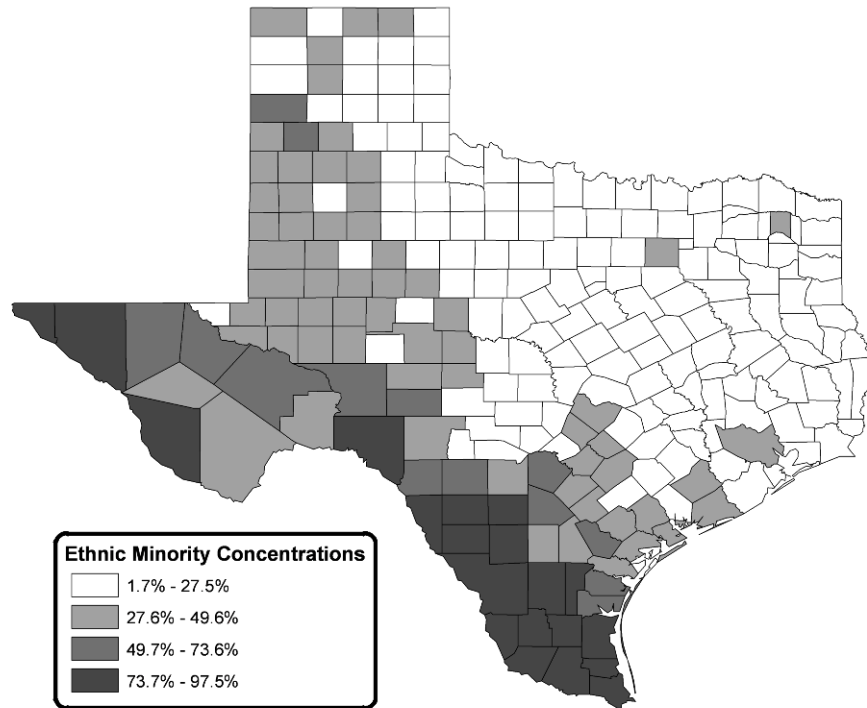
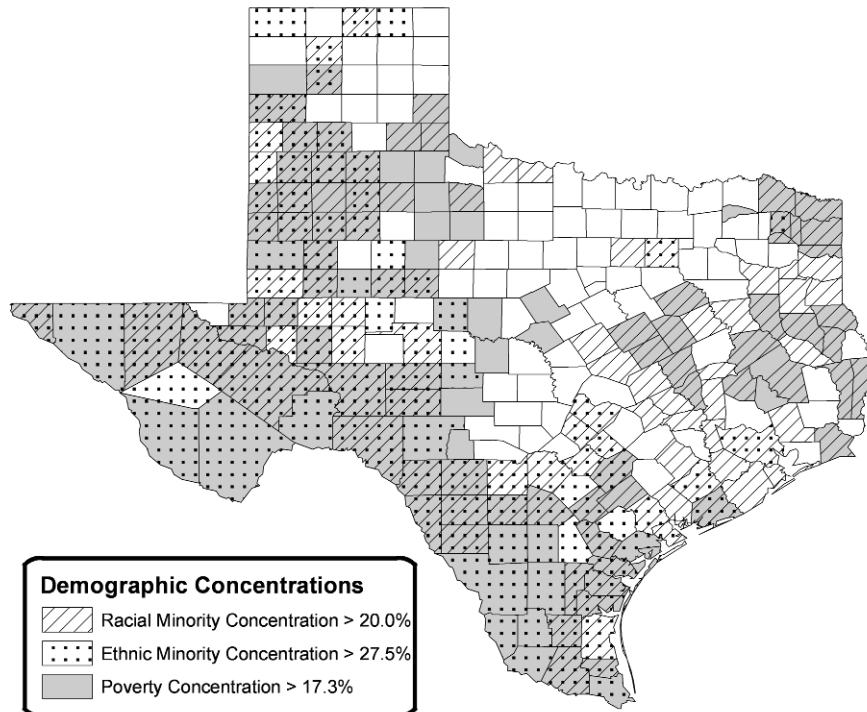


Figure 27d: Demographic Concentrations – Texas, 2000



**Figure 27e: Concentrations of Poverty and Racial and/or Ethnic Minorities – Texas, 2000\***

\*Note: Only counties with a concentration of poverty *and* another concentration were included in this table. This is not a comprehensive list of all counties with concentrations of poverty, concentrations of racial minorities or concentrations of ethnic minorities.

Texas County	Poverty Concentration (17.3%)	Racial Minority Concentration (20.0%)	Ethnic Minority Concentration (27.5%)
Anderson	yes	yes	
Atascosa	yes	yes	yes
Bailey	yes	yes	yes
Bee	yes	yes	yes
Brazos	yes	yes	
Brewster	yes		yes
Brooks	yes	yes	yes
Cameron	yes		yes
Camp	yes	yes	
Cass	yes	yes	
Castro	yes	yes	yes
Cherokee	yes	yes	
Childress	yes	yes	
Cochran	yes	yes	yes
Collingsworth	yes	yes	
Concho	yes		yes
Crosby	yes	yes	yes
Culberson	yes	yes	yes
Dawson	yes	yes	yes
Deaf Smith	yes	yes	yes
DeWitt	yes	yes	
Dickens	yes	yes	
Dimmit	yes	yes	yes
Duval	yes		yes
Ector	yes	yes	yes
Edwards	yes		yes
El Paso	yes	yes	yes
Falls	yes	yes	
Floyd	yes	yes	yes
Frio	yes	yes	yes
Gaines	yes		yes
Garza	yes	yes	yes
Gonzales	yes	yes	yes
Grimes	yes	yes	
Hale	yes	yes	yes
Hall	yes	yes	

## Housing Market Analysis

### Homeless Facilities

Texas County	Poverty Concentration (17.3%)	Racial Minority Concentration (20.0%)	Ethnic Minority Concentration (27.5%)
Hidalgo	yes	yes	yes
Houston	yes	yes	
Howard	yes		yes
Hudspeth	yes		yes
Jasper	yes	yes	
Jefferson	yes	yes	
Jim Hogg	yes		yes
Jim Wells	yes	yes	yes
Jones	yes	yes	
Karnes	yes	yes	yes
Kenedy	yes	yes	yes
Kinney	yes	yes	yes
Kleberg	yes	yes	yes
Knox	yes	yes	
La Salle	yes		yes
Lamb	yes	yes	yes
Limestone	yes	yes	
Live Oak	yes		yes
Lynn	yes	yes	yes
Madison	yes	yes	
Marion	yes	yes	
Martin	yes	yes	yes
Matagorda	yes	yes	yes
Maverick	yes	yes	yes
Menard	yes		yes
Mitchell	yes	yes	yes
Nacogdoches	yes	yes	
Navarro	yes	yes	
Newton	yes	yes	
Nolan	yes	yes	yes
Nueces	yes	yes	yes
Pecos	yes	yes	yes
Potter	yes	yes	yes
Presidio	yes		yes
Red River	yes	yes	
Reeves	yes	yes	yes
Robertson	yes	yes	
Runnels	yes		yes
San Augustine	yes	yes	
San Patricio	yes	yes	yes
Scurry	yes		yes
Shelby	yes	yes	



<b>Texas County</b>	<b>Poverty Concentration (17.3%)</b>	<b>Racial Minority Concentration (20.0%)</b>	<b>Ethnic Minority Concentration (27.5%)</b>
<b>Starr</b>	yes		yes
<b>Swisher</b>	yes	yes	yes
<b>Terrell</b>	yes		yes
<b>Terry</b>	yes	yes	yes
<b>Uvalde</b>	yes	yes	yes
<b>Val Verde</b>	yes	yes	yes
<b>Walker</b>	yes	yes	
<b>Webb</b>	yes		yes
<b>Willacy</b>	yes	yes	yes
<b>Zapata</b>	yes		yes
<b>Zavala</b>	yes	yes	yes

**CHRONIC HOMELESSNESS**

Based on the 78 Emergency Shelter Grants Program (ESGP) organizations funded in PY 2008, it is estimated that 30 of the 78 organizations serve the chronically homeless. The Department estimates that 4,281 beds were available from the funded organizations for PY 2008. The Department is not aware of how many of the beds are utilized to shelter chronically homeless individuals. Twenty of these organizations that serve the chronically homeless are Salvation Army organizations. These organizations are located across the State.

The following inventory is an account of all the Emergency, Transitional Housing, and Permanent Supportive Housing beds reported in the 2008 Continuum of Care applications. These beds represent 190 Texas counties that applied for funding in 2008:

<b>Emergency Shelter</b>	<b>Existing Beds</b>	<b>Unmet Need</b>
Family Beds	4,556	1,124
Individual Beds	6,841	5,087
<b>Total</b>	<b>11,397</b>	<b>6,211</b>

<b>Transitional Housing</b>	<b>Existing Beds</b>	<b>Unmet Need</b>
Family Beds	5,455	3,641
Individual Beds	3,632	6,492
<b>Total</b>	<b>9,087</b>	<b>10,133</b>

<b>Permanent Supportive Housing</b>	<b>Existing Beds</b>	<b>Unmet Need</b>
Family Beds	1,645	5,926
Individual Beds	2,327	245
<b>Total</b>	<b>3,972</b>	<b>6,171</b>

## **HOMELESS FACILITIES**

The following programs provide services that meet the emergency shelter needs of homeless persons.

### ***TEXAS HEALTH AND HUMAN SERVICES COMMISSION ADDRESSES HOMELESSNESS***

The Texas Health and Human Services Commission (HHSC) administers various programs that encourage self-sufficiency; sustain families and individuals in times of need; and promote choice, safety and independence for the elderly, people with disabilities and families.

#### ***Family Violence Program***

The Texas Health and Human Services Commission funds family violence centers located throughout the state that provide services to victims of family violence. Services for victims include 24-hour hotline guidance, information and referral services, legal services, counseling, transportation services and assistance in obtaining medical care and job training. Selected family violence centers provide temporary shelter services. To be eligible for services, a client must be physically, emotionally or sexually abused by a partner, former partner or another family or household member.

### ***TEXAS DEPARTMENT OF STATE HEALTH SERVICES ADDRESSES SPECIAL NEEDS***

The Texas Department of State Health Services' (DSHS) mission is to improve the health and well-being in Texas. To achieve its mission, DSHS is responsible for certifications, licenses and permits for certain health-related equipment, facilities, businesses and occupations; community mental health and family health resources; substance abuse recovery resources; vital records, such as birth, death, marriage and divorce records; and health-related data and reports.

#### ***Projects for Assistance in Transition from Homelessness (PATH)***

The Department of State Health Services Community Mental Health and Substance Abuse Division receives funds through the federal government's Center for Mental Health Services. Funds are used for administration of homelessness prevention services and mental health crisis services. Funds are available to subdivisions of state of Texas, units of local government and non-profit entities.

### ***U.S. DEPARTMENT OF VETERANS AFFAIRS ADDRESSES HOMELESSNESS***

The U.S. Department of Veterans Affairs (VA) is the federal agency responsible for providing federal benefits to veterans and their dependents. These benefits include healthcare, financial compensation and pension, education and training assistance, insurance services, home loan assistance and homeless assistance programs.

#### ***Comprehensive Homeless Centers***

Comprehensive Homeless Centers offer a full range of VA homeless services and coordinate with non-VA service providers to assist homeless veterans. These centers are located in Anchorage, AK; Brooklyn, NY; Cleveland, OH; Dallas, TX; Little Rock, AR; Pittsburgh, PA; San Francisco, CA; and West Los Angeles, CA. They provide a comprehensive continuum of care that reaches out to homeless veterans and helps them escape homelessness.

## ***Housing Market Analysis***

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### ***Special Need Facilities and Services***

#### ***TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS ADDRESSES HOMELESSNESS***

##### ***Homelessness Prevention and Rapid Re-Housing Program***

The Homelessness Prevention and Rapid Re-Housing (HPRP) Program provides homelessness prevention assistance to households who would otherwise become homeless and provides assistance to rapidly re-house persons who are homeless. Made available through the American Recovery and Reinvestment Act of 2009, the U.S. Department of Housing and Urban Development (HUD) will provide the State of Texas, through TDHCA funding for HPRP, a program which will last approximately three years.

Funds to awarded program administrators can be used for four activities. (1) Financial assistance is limited to short-term (up to 3 months) and medium-term (up to 18 months) rental assistance; security deposits; utility deposits and payments; moving cost assistance; and motel and hotel vouchers. (2) Housing relocation and stabilization services are limited to case management (e.g. arrangement, coordination, monitoring and delivery of services related to meeting housing needs); outreach and engagement; housing search and placement; legal services (e.g. legal advice and representation in administrative or court proceedings related to tenant/landlord matters or housing issues, excluding mortgage legal services); and credit repair. (3) Data collection and evaluation including the use of the Homeless Management Information Systems (HMIS); or the use of a comparable client-level database. (4) Administrative costs are the fourth activity that can be funded through HPRP. On July 30, 2009, the TDHCA Board authorized funding awards to 59 recipients totaling approximately \$40 million.

Eligible applicants include units of general local government and private nonprofit organizations whose professional activities include the promotion of social welfare and the prevention or elimination of homelessness.

##### ***Homeless Housing and Services Program***

Funded with state appropriated funds, the Homeless Housing and Services Program's (HHSP) purpose is assisting regional urban areas in providing services to homeless individuals and families, including services such as case management, and housing placement and retention. Beginning in 2010, funding for this program shall be awarded by TDHCA through a competitive matching grant process whereby the eight largest cities may seek additional funding for this purpose. The agency shall distribute these funds to the eight largest cities with populations larger than 285,500 persons per the latest U.S. Census figures. Eligible entities are the eight largest cities in Texas.

##### ***Emergency Shelter Grants Program***

The Emergency Shelter Grants Program (ESGP) funds entities that provide shelter and related services for homeless persons. For purposes of this Plan, statewide information on homeless service providers has been collected from the ESGP applications that were submitted for funding in 2009. This is not a comprehensive listing of service providers. Because some local governments receive ESGP funding directly from the US Department of Housing and Urban Development, organizations that apply for these local ESGP funds are not included. Below is a list of applications for ESGP funding in 2009.

## Housing Market Analysis

### Special Need Facilities and Services

<b>REGION 1 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Amarillo, City of	Potter	At-Risk Homeless, All Homeless, Youth, Mentally Ill	281
Panhandle Crisis Center	Ochiltree, Hansford, Lipscomb	Domestic Violence Victims; Sexual Assault Victims	10
Crisis Center of the Plains	Briscoe, Castro, Floyd, Hale, Hall, Motley, Swisher, Lamb	Domestic Violence Victims, Substance Abuse	7
Driskill Halfway House, Inc.	Briscoe, Castro, Floyd, Hall, Hale, Swisher	All Homeless	16
Women's Protective Services of Lubbock	Bailey, Cochran, Crosby, Dickens, Garza, Hockley, King, Lamb, Lubbock, Lynn, Terry, Yoakum	Domestic Violence Victims	206

<b>REGION 2 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
First Step of Wichita Falls, Inc.	Archer, Baylor, Childress, Clay, Cottle, Hardeman, Foard, Jack, Montague, Young, Wilbargar, Wichita	Domestic Violence Victims	35
Abilene Hope Haven, Inc	Taylor	All Homeless	45
Pecan Valley Regional Domestic Violence Shelter, Inc.	Brown, Coleman, Comanche	Domestic Violence Victims, Sexual Abuse Victims	31
Salvation Army at Abilene	Taylor	All Homeless	92

<b>REGION 3 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
The Family Place	Dallas	Domestic Violence Victims,	100
Salvation Army - Arlington Family Life Center	Tarrant	Homeless Families	15
Promise House, Inc.	Dallas	Youth, At-Risk Homeless	20
Grayson County Shelter	Grayson	All Homeless	14
Irving, City of	Dallas	All Homeless	18
Safe Haven of Tarrant County	Tarrant	Domestic Violence Victims	102
Denton, City of	Denton	Domestic Violence Victims, At-Risk Homeless, All Homeless, Families With Children	30
Johnson County Family Crisis Center	Johnson	Domestic Violence Victims	30
Mission Granbury, Inc.	Hood	Domestic Violence Victims, At-Risk Homeless,	40
Grayson County Juvenile Alternatives, Inc.	Grayson, Fannin, Cooke	Youth	12
Daniel's Den, Inc.	Ellis	All Homeless	

## Housing Market Analysis

### Special Need Facilities and Services

<b>REGION 3 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
New Beginning Center, Inc.	Dallas	Domestic Violence Victims	36
Four Rivers Outreach	Grayson	At-Risk Homeless, Addicted Culture	26
Salvation Army – Denton Corps	Denton	Homeless/At-Risk Individuals	460
Arlington Life Shelter	Tarrant	All Homeless	87
Dallas Jewish Coalition	Tarrant	Homeless children ages six weeks to 5 years	0
Dallas Mission for Life	Dallas	All Homeless	480
Salvation Army First Choice Program	Tarrant	Other Homeless, Chemically Dependent Women With Children	33
Collin Intervention to Youth	Collin	Youth	15
Hope's Door, Inc.	Collin, Dallas	Domestic Violence Inc.	19
Salvation Army Casa Youth Emergency Shelter	Dallas	Youth	16
Salvation Army Sherman	Grayson	All Homeless	29
Salvation Army Carr P. Collins Social Service Center	Dallas	At-Risk Homeless	0

<b>REGION 4 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Randy Sams Outreach Shelter, Inc.	Bowie	Domestic Violence Victims, Mentally Ill, AIDS Victims, All Homeless, Veterans Formerly Incarcerated	110
Salvation Army – Tyler	Smith	At-Risk Homeless, All Homeless	300
Shelter Agencies for Families in East Texas, Inc.	Titus, Camp, Delta, Franklin, Morris, Hopkins, Lamar, Red River, Wood	Domestic Violence Victims	30
Sabine Valley Regional MHMR Center	Bowie, Cass, Gregg, Harrison, Marion, Panola, Red River, Rusk, Upshur	Mentally Ill	60
The Salvation Army – Longview	Gregg	All Homeless	300
East Texas Crisis Center	Smith, Wood, Rains, Van Zandt, Henderson	All Homeless	48
Kilgore Community Crisis Center	Gregg, Rusk, Panola	Domestic Violence Victims	23

## Housing Market Analysis

### Special Need Facilities and Services

<b>REGION 5 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Just Out - Fresh Start, Inc.	Jefferson	At-Risk Homeless, All Homeless	27
Love I.N.C. of Nacogdoches	Nacogdoches County	At-Risk Homeless	0
The Salvation Army, A Georgia Corporation for Lufkin	Angelina	All Homeless	39
Women's Shelter of East Texas, Inc.	Angelina, Nacogdoches, Polk, Houston, San Augustine, San Jacinto, Shelby, Sabine and Trinity	Domestic Violence Victims, At-Risk Homeless	63
Port Cities Rescue Mission Ministries	Jefferson	Homeless Individuals with substance abuse issues	35
Family Services of Southeast Texas, Inc.	Hardin, Jasper, Jefferson, Newton, Orange, Tyler	Domestic Violence Victims	70

<b>REGION 6 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
The Bridge Over Troubled Waters, Inc.	Harris County	Domestic Violence Victims	75
Covenant House Texas	Harris	Youth	135
Memorial Assistance Ministries	Harris County	At-Risk Homeless, Other Families	0
Westside Homeless Partnership	Harris County	At-Risk Homeless, Other Homeless Families With Children	0
SEARCH	Harris	All Homeless	0
The Salvation Army, a Georgia Corp., for Galveston	Galveston	Domestic Violence Victims, Mentally Ill, AIDS Victims, At-Risk Homeless, All Homeless	118
The Women's Home	Harris and surrounding counties	Mentally Ill, All Homeless, Other Substance Abuse, Women	57
Star of Hope Mission	Harris	All Homeless	294
Harmony House, Inc.	Houston	Other Homeless Men	70
Santa Maria Hostel, Inc.	Harris County	All Homeless	40
Wesley Community Center, Inc. of Houston, TX	Harris	At-Risk Homeless, All Homeless	0
Harris County Community Services Department	Harris	At-Risk Homeless	0
Houston Area Women's Center	Harris	Domestic Violence Victims, At-Risk Homeless	125
Wheeler Avenue 5Cs, Inc.	Harris	All Homeless	36

## Housing Market Analysis

### Special Need Facilities and Services

<b>REGION 6 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
The Missions of Yahweh, Inc.	Harris	Domestic Violence Victims, Youth, Mentally Ill, AIDS Victims, Other Homeless Women and Children	75
Fort Bend County Women's Center, Inc.	Fort Bend, Harris	Domestic Violence Victims	65
YWCA Gateway Branch Adult Services	Harris	At-Risk Homeless, Other Young Females Aging Out of Foster Care	0
Northwest Assistance Ministries	Harris	All Homeless	0
Bread of Life	Harris	Mentally Ill, Aids Victims, At-Risk Homeless, All Homeless	0
Focusing Families	Waller, Austin, Washington, Grimes	Domestic Violence Victims	8
Salvation Army at Houston Social Services	Harris	At-Risk Homeless	0
Montgomery County Women's Center	Montgomery, Harris, Liberty	Domestic Violence Victims	34
The Children's Center, Inc.	Galveston	Domestic Violence Victims, Youth, Mentally Ill, AIDS Victims, At-Risk Homeless	52
Eagle's Lift Ministries	Harris, Brazoria	Other Female Homeless	10
Mary's Miracles Outreach Program, Inc.	Harris	Domestic Violence Victims, Mentally Ill, AIDS Victims, All Homeless, Other Chemically Dependent,	16

<b>REGION 7 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Bastrop County Women's Shelter	Bastrop, Fayette and Lee Counties	Domestic Violence Victims	116
Advocacy Outreach	Bastrop, Southeastern Travis (Manor area)	At-Risk Homeless, All Homeless	0
Hays County Women's Center	Hays, Caldwell	Domestic Violence Victims, AIDS Victims, All Homeless	34
Highland Lakes Family Crisis Center, Inc.	Burnet	Domestic Violence Victims	37
Travis County Domestic Violence and Sexual Assault	Travis	Domestic Violence Victims	122
Casa Marianella	Travis	All Homeless	20



## Housing Market Analysis

### Special Need Facilities and Services

<b>REGION 7 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Williamson-Burnet County Opportunities, Inc.	Williamson	At-Risk Homeless	25
Youth and Family Alliance	Travis	Homeless Youth from 10-21 years	26
Salvation Army at Austin	Travis	All Homeless	335

<b>REGION 8 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Family Abuse Center, Inc.	McLennan, Falls, Bosque, Freestone, Limestone, Hill	Domestic Violence Victims	50
Families In Crisis, Inc.	Bell, Coryell, Hamilton	Domestic Violence Victims	76
The Salvation Army – Waco	McLennan	At-Risk Homeless, All Homeless	22
Faith Mission and Help Center, Inc.	Washington County	At-Risk Homeless, All Homeless	50
Compassion Ministries of Waco, Inc.	McLennan	All Homeless	60
Twin City Mission, Inc.	Brazos, Burleson, Grimes, Leon, Madison, Milam, Robertson, Washington	Domestic Violence Victims, All Homeless	137

<b>REGION 9 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Seton Home	Bexar	Youth, All Homeless	40
Family Violence Prevention Services, Inc.	Bexar	Domestic Violence Victims	152
The Salvation Army, San Antonio	Bexar	At-Risk Homeless, All Homeless	376
Connections Individual and Family Services, Inc.	Comal and San Patricio and surrounding cities of Aransas, Atascosa, Bastrop, Bee Caldwell, Frio Goliad, Gonzales, Guadalupe, Karnes, Lee, Live Oak, McMullen, Refugio, Wilson, Zavala	Youth, At-Risk Homeless, Other Homeless Families (Trans Housing)	41
Ellis Community Resources, Inc.	Comal	All Homeless	0
Comal County Family Violence Shelter, Inc.	Comal	Domestic Violence Victims,	46
The Salvation Army – Kerrville	Kerr	Domestic Violence Victims, Mentally Ill, AIDS Victims, At-Risk Homeless, All Homeless	28
Catholic Charities, Archdiocese of San	Bexar	All Homeless	9

## Housing Market Analysis

### Special Need Facilities and Services

<b>REGION 9 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Antonio			
San Antonio Metropolitan Ministry, Inc.	Bexar	All Homeless Individuals, Priority Given to Families with Children	573
Community Council of South Central Texas	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	Homeless	0
St. Peter-St. Joseph Children's Home	Bexar	At-Risk Homeless	0

<b>REGION 10 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Women's Shelter of South Texas	Aransas, Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, McMullen, Nueces, Refugio, San Patricio	Domestic Violence Victims	65
Corpus Christi Hope House, Inc.	Nueces County	Domestic Violence Victims, At-Risk Homeless, Other Women/Children	29
The Salvation Army - Corpus Christi, TX	Nueces County	All Homeless	102
Mid-Coast Family Services, Inc.	Victoria	All Homeless	26
Corpus Christi Metro Ministries, Inc.	Nueces, Bee, San Patricio, Jim Wells, Kleberg	Domestic Violence Victims	34
Salvation Army - Victoria	Victoria	All Homeless	31

<b>REGION 11 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Family Crisis Center, Inc.	Cameron, Willacy Counties	Domestic Violence Victims, All Homeless	96
Providence Ministry Corp.	Cameron, Willacy Counties	Other Asylum seekers, Asylees, Immigrants	22
Friendship of Women, Inc.	Cameron	Domestic Violence Victims, Youth, Mentally Ill, AIDS Victims, At-Risk Homeless and All Homeless	19
Wintergarden Women's Shelter, Inc.	Dimmit, Maverick, Zavala and La Salle	Domestic Violence Victims	17
Women Together Foundation, Inc.	Hidalgo	Domestic Violence Victims, Other Sexual Assault Survivors	45
City of Brownsville	Cameron	All Homeless	120

## Housing Market Analysis

### Special Need Facilities and Services

<b>REGION 11 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Amistad Family Violence and Rape Crisis Center	Val Verde, Kinney, Edwards	Domestic Violence Victims	26
Bethany House of Laredo	Webb	Domestic Violence Victims, Youth Mentally Ill, AIDS Victims, At-Risk Homeless, All Homeless	28
Advocacy Resource Center for Housing	Hidalgo	At-Risk of Homelessness	0
Salvation Army - McAllen	Hidalgo	At-Risk Homeless, All Homeless	0

<b>REGION 12 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
Midland Fair Havens, Inc.	Midland	Other Women and Children	30
Institute of Cognitive Development, Inc.	Tom Green	Domestic Violence Victims	44
The Salvation Army - Odessa	Ector	At-Risk Homeless, All Homeless,	38

<b>REGION 13 SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>
El Paso Villa Maria, Inc.	El Paso County	Other single Women who are Homeless	22
International AIDS Empowerment	El Paso County	AIDS Victims	0
Opportunity Center for the Homeless	El Paso	All Homeless	130
Child Crisis Center of El Paso	El Paso County	At-Risk Homeless, Other Homeless Children 0 through 13	31
La Posada Home	El Paso	Domestic Violence Victims, All Homeless	50
Project Vida	El Paso	All Homeless	6
Rescue Mission of El Paso	El Paso	All Homeless	143
Sin Fronteras Organizing Project	El Paso	All Homeless	120
Center Against Family Violence	El Paso, Hudspeth, Culberson	Domestic Violence Victims	84
YWCA El Paso del Norte Region	El Paso	Domestic Violence Victims	20

**TOTAL BEDS FOR ALL REGIONS: 8,373**

## *Housing Market Analysis*

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### *Special Need Facilities and Services*

## **SPECIAL NEED FACILITIES AND SERVICES**

The following state agencies provide facilities and/or services that assist persons who require supportive services.

### ***TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS ADDRESSES SPECIAL NEEDS***

#### ***Community Services Block Grant***

The Community Services Block Grant (CSBG) provides administrative support to a network of local Community Action Agencies (CAAs) and other eligible entities that provide services to very low-income persons or persons at or below 125% of federal poverty guidelines. The funding assists in providing essential services including access to child care; health and human services for children, families and the elderly; nutrition; transportation; job training and employment services; housing; substance abuse prevention; migrant assistance; emergency financial assistance; and other related services.

TDHCA funds local organizations, generally local CAAs, that provide these services to low-income households.

### ***TEXAS HEALTH AND HUMAN SERVICES COMMISSION ADDRESSES SPECIAL NEEDS***

The Texas Health and Human Services Commission (HHSC) administers various programs that encourage self-sufficiency; sustain families and individuals in times of need; and promote choice, safety and independence for the elderly, people with disabilities and families.

#### ***Temporary Assistance for Needy Families***

The Temporary Assistance for Needy Families (TANF) Program provides financial assistance to families with needy children. Funds are available monthly for food, clothing, housing, utilities, furniture, transportation, laundry, household equipment, medical supplies not paid by Medicaid and other necessities. Low-income families are eligible if they include children 18 years of age or younger and do not exceed income qualifications. Grandparents caring for one or more grandchildren who receive TANF may be eligible for a one-time supplemental payment of \$1,000.

#### ***Food Stamp Program***

The Food Stamp Program is a federally-funded program that helps eligible low-income families and individuals purchase nutritious food from local food stores. There are income requirements for people with children, the elderly and persons with disabilities. For individuals, applicants must meet income and employment requirements and assistance may be limited.

#### ***Medicaid***

Medicaid is a state-administered program that pays for most medical services for eligible low-income families, children, people who are elderly and people with disabilities. Households that receive Temporary Assistance for Needy Families, Refugee Cash Assistance and Supplemental Security Income are automatically eligible for Medicaid and other people may qualify based on their income and resources. In most cases, Medicaid pays for doctors' services, laboratory and X-ray charges, medicine, nursing facility and hospital services, family planning, eyeglasses, hearing aids, selected community

care services and other health care services. This program should not be confused with Medicare, which is a federal health insurance program for people over 65.

***TEXAS DEPARTMENT OF AGING AND DISABILITY SERVICES ADDRESSES SPECIAL NEEDS***

The Texas Department of Aging and Disability Services (DADS) is the State's lead agency responsible for serving Texans 60 years of age and older. DADS administers various services through local Area Agencies on Aging (AAAs) that include in-home assistance, transportation services, care coordination, legal assistance, health maintenance and meal services. DADS may allocate a limited amount of funding to local AAAs for home repair activities.

***Community Care for the Aged and Disabled***

Community Care programs provide in-home and community-based services to the elderly and people with disabilities and allow them to remain in their own homes and communities. Certain services are available to functionally-impaired children who have an established need and most programs have income limits and other requirements. Programs offered include Adult Foster Care, Community Attendant Services, Community Based Alternatives, Community Living Assistance and Support Services, Consumer Managed Personal Assistance Service, Day Activity and Health Services, Deaf-Blind with Multiple Disabilities, Emergency Response Services, Family Care Services, Home-Delivered Meals, Home and Community-based Services, Hospice Services, In-Home and Family Support Program, Intermediate Care Facilities for Persons with Mental Retardation, Mental Retardation Community Services, Medically Dependent Children Program, Primary Home Care, Residential Care, Special Services to Persons with Disabilities, State Mental Retardation Facilities, Program of All-Inclusive Care for the Elderly, Residential Care, Special Services to Persons with Disabilities, and Texas Home Living Program.

***Services Offered Through Area Agencies on Aging***

Local AAAs offer various services for senior citizens and their caregivers. Services may include Access and Assistance Services, which include care coordination, caregiver support, education on benefits awareness and advocacy; Caregiver Support Services which includes caregiver respite care-in-home; Nutrition Services, which includes home-delivered meals; and In-Home Support Services, which includes housekeeping and health screening. Many AAAs also maintain senior centers.

***TEXAS DEPARTMENT OF ASSISTIVE AND REHABILITATION SERVICES ADDRESSES SPECIAL NEEDS***

The Texas Department of Assistive and Rehabilitation Services' (DARS) purpose is to work in partnership with Texans with disabilities and families with children who have developmental delays to improve the quality of their lives and to enable their full participation in society.

***Vocational Rehabilitation Program***

The Vocational Rehabilitation program helps people with disabilities gain and keep employment. This program may provide counseling, training, medical treatment, assistive devices, and job placement assistance. Services may also include assistance to students with disabilities transition from school to work. Eligible participants include people with the presence of a physical or mental disability that results in a substantial impediment to employment, determination of whether the individual will be employable after receiving services and determination of whether services are required to achieve employment.

## ***Housing Market Analysis***

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### ***Special Need Facilities and Services***

People with disabilities who have been injured on the job and partners with the Office of Injured Employee Council may also be eligible.

### ***Independent Living Services and Centers***

The Independent Living Services and Centers promote self-sufficiency of clients despite significant disabilities. Services include providing for improved mobility, communication, personal adjustment and self-direction. Assistance is provided through peer counseling, information referral and advocacy support.

### ***Comprehensive Rehabilitation Services Program***

The Comprehensive Rehabilitation Services program helps people with spinal cord and brain injuries become more independent.

## ***TEXAS DEPARTMENT OF STATE HEALTH SERVICES ADDRESSES SPECIAL NEEDS***

The Texas Department of State Health Services' (DSHS) mission is to improve the health and well-being in Texas. To achieve its mission, DSHS is responsible for certifications, licenses and permits for certain health-related equipment, facilities, businesses and occupations; community mental health and family health resources; substance abuse recovery resources; vital records, such as birth, death, marriage and divorce records; and health-related data and reports.

### ***Assertive Community Treatment***

Assertive Community Treatment serves as the fixed point of responsibility for providing treatment, rehabilitation and support services to people with severe and persistent mental illness. Services may include psychiatric, substance abuse, employment and housing.

### ***Services from Outreach Screening Assessment and Referral Providers***

These community-based programs operate 24-hour hot lines and referral services for those with substance abuse problems. Services may include referral to treatment, support services and follow-up support.

### ***County Indigent Health Care Program***

The County Indigent Health Care Program provides health care services to low-income residents through the counties, hospital districts and public hospitals in Texas.

### ***Hemophilia Assistance Program***

The Hemophilia Assistance Program helps people with hemophilia pay for their blood factor products.

## **REGULATORY BARRIERS TO AFFORDABLE HOUSING**

The State of Texas has given local jurisdictions a great amount of authority over their lands. As a result, many of the regulatory barriers to affordable housing found at the state level in other states do not exist in Texas. For instance, municipalities have zoning authority. Even though zoning may be a barrier to affordable housing depending on minimum lot size required, this is not a regulatory barrier imposed by the state. In fact, counties do not have zoning authority, eliminating the potential barrier completely in non-incorporated areas. The state also does not impose impact or development fees or deed restrictions on developments. Furthermore, TDHCA is not a regulatory agency for building codes with the exception of manufactured housing and projects that receive funding through TDHCA. Impact fees, deed restrictions and building codes may add to the cost of development, but these are not part of the State's regulations.

In contrast, TDHCA does have two regulatory barriers to affordable housing, as found below.

### **ENVIRONMENTAL REGULATIONS**

The Department works to enforce federal environmental regulations, such as the National Environmental Policy Act, Endangered Species Act, the National Pollutant Discharge Elimination System, and the Wetland regulations. In Texas, rules to protect the environment are promulgated by the Texas Commission on Environmental Quality (TCEQ). These include rules for the installation of septic systems and for development of the Edwards Aquifer. The restrictions associated with the regulations can add to the cost of development which, in turn, may raise the cost of the housing thereby decreasing affordability.

### **PUBLIC OPPOSITION**

When a developer proposes an affordable housing development, regulations require that the developer notify local community groups and state and local officials. The required public notification process provides notice to persons who may oppose affordable housing.

For TDHCA's efforts to overcome these barriers to affordable housing, please see Strategy to Overcome Barriers to Affordable Housing in the Strategic Plan.

**STRATEGIC PLAN**

**§ 91.315 Strategic plan.**

- (a) **General.** For the categories described in paragraphs (b), (c), (d), (e), and (f) of this section, the consolidated plan must do the following:
- (1) Indicate the general priorities for allocating investment geographically within the state and among different activities and needs.
  - (2) Describe the rationale for establishing the allocation priorities given to each category of priority needs, particularly among extremely low-income, low-income, and moderate-income households.
  - (3) Identify any obstacles to meeting underserved needs.
  - (4) Summarize the priorities and specific objectives the state intends to initiate and/or complete during the time period covered by the strategic plan describing how the proposed distribution of funds will address identified needs. For each specific objective statement, identify proposed accomplishments and outcomes the state hopes to achieve in quantitative terms over a specified time period (e.g., one, two, three or more years), or in other measurable terms as identified and defined by the state. This information shall be provided in accordance with guidance to be issued by HUD.
- (b) **Affordable housing.** With respect to affordable housing, the consolidated plan must include the priority housing needs table prescribed by HUD and must do the following:
- (1) The affordable housing section shall describe how the characteristics of the housing market and the severity of housing problems and needs of extremely low-income, low-income, and moderate-income renters and owners identified in accordance with Sec. 91.305 provided the rationale for establishing allocation priorities and use of funds made available for rental assistance, production of new units, rehabilitation of existing units, or acquisition of existing units(including preserving affordable housing units that may be lost from the assisted housing inventory for any reason). Household and income types may be grouped together for discussion where the analysis would apply to more than one of them. If the state intends to use HOME funds for tenant-based assistance, it must specify local market conditions that led to the choice of that option.
  - (2) The affordable housing section shall include specific objectives that describe proposed accomplishments the state hopes to achieve and must specify the number of extremely low-income, low-income, and moderate-income families to whom the state will provide affordable housing as defined in 24 CFR 92.252 for rental housing and 24 CFR 92.254 for homeownership over a specific time period.
- (c) **Public housing.** With respect to public housing, the consolidated plan must do the following:
- (1) Resident initiatives. For a state that has a state housing agency administering public housing funds, the consolidated plan must describe the state's activities to encourage public housing residents to become more involved in management and participate in homeownership;
  - (2) Public housing needs. The consolidated plan must describe the manner in which the plan of the state will address the needs of public housing; and
  - (3) Troubled public housing agencies. If a public housing agency located within a state is designated as ``troubled" by HUD under part 902 of this title, the strategy for the state or unit of local government in which any troubled public housing agency is located must describe the manner in which the state or unit of general local government will provide financial or other assistance to improve the public housing agency's operations and remove the ``troubled" designation. A state is not required to describe the manner in which financial or other assistance is provided if the troubled public housing agency is located entirely within the boundaries of a unit of general local government that must submit a consolidated plan to HUD.
- (d) **Homelessness.** With respect to homelessness, the consolidated plan must include the priority homeless needs table prescribed by HUD and must describe the state's strategy for the following:
- (1) Helping low-income families avoid becoming homeless;
  - (2) Reaching out to homeless persons and assessing their individual needs;
  - (3) Addressing the emergency shelter and transitional housing needs of homeless persons; and
  - (4) Helping homeless persons (especially any persons that are chronically homeless) make the transition to permanent housing and independent living.



- (e) **Other special needs.** With respect to supportive needs of the non-homeless, the consolidated plan must provide a concise summary of the priority housing and supportive service needs of persons who are not homeless but require supportive housing, i.e., elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and public housing residents. If the state intends to use HOME funds for tenant-based assistance to assist one or more of these subpopulations, it must specify local market conditions that led to the choice of this option.
- (f) **Nonhousing community development plan.** If the state seeks assistance under the CDBG program, the consolidated plan must concisely describe the state's priority nonhousing community development needs that affect more than one unit of general local government. These priority needs must be described by CDBG eligibility category, reflecting the needs of persons or families for each type of activity.  
This community development component of the plan must identify the state's specific long-term and short-term community development objectives (including economic development activities that create jobs), which must be developed in accordance with the primary objective of the CDBG program to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for low-income and moderate-income persons.
- (g) **Community Revitalization.** States are encouraged to identify areas where geographically targeted revitalization efforts are carried out through multiple activities in a concentrated and coordinated manner. In addition, a state may elect to allow units of general local government to carry out a community revitalization strategy that includes the economic empowerment of low-income residents, in order to obtain the additional flexibility available as provided in 24 CFR part 570, subpart I. A state must approve a local government's revitalization strategy before it may be implemented. If a state elects to allow revitalization strategies in its program, the method of distribution contained in a state's action plan pursuant to Sec. 91.320(k)(1) must reflect the state's process and criteria for approving local government's revitalization strategies. The strategy must identify the long-term and short-term objectives (e.g., physical improvements, social initiatives, and economic empowerment), expressing them in terms of measures of outputs and outcomes that are expected through the use of HUD programs. The state's process and criteria are subject to HUD approval.
- (h) **Barriers to affordable housing.** The consolidated plan must describe the state's strategy to remove or ameliorate negative effects of its policies that serve as barriers to affordable housing, as identified in accordance with Sec. 91.310.
- (i) **Lead based paint.** The consolidated plan must outline the actions proposed or being taken to evaluate and reduce lead-based paint hazards, and describe how the lead-based paint hazard reduction will be integrated into housing policies and programs.
- (j) **Anti-poverty strategy.** The consolidated plan must provide a concise summary of the state's goals, programs, and policies for reducing the number of poverty-level families and how the state's goals, programs, and policies for producing and preserving affordable housing, set forth in the housing component of the consolidated plan, will be coordinated with other programs such as Temporary Assistance for Needy Families as well as employment and training programs and services for which the state is responsible and the extent to which they will reduce (or assist in reducing) the number of poverty-level families, taking into consideration factors over which the state has control.
- (k) **Institutional structure.** (1) The consolidated plan must provide a concise summary of the institutional structure, including private industry, nonprofit organizations, and public institutions, through which the state will carry out its housing, homeless, and community development plan, assessing the strengths and gaps in that delivery system.  
(2) The plan must provide a concise summary of what the state will do to overcome gaps in the institutional structure for carrying out its strategy for addressing its priority needs.
- (l) **Coordination.** The consolidated plan must provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies. With respect to the preparation of its homeless

## Strategic Plan

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### Legislation

*strategy, the state must describe efforts in addressing the needs of persons that are chronically homeless. With respect to the public entities involved, the plan must describe the means of cooperation and coordination among the state and any units of general local government in the implementation of its consolidated plan. With respect to economic development, the state should describe efforts to enhance coordination with private industry, businesses, developers, and social service agencies.*

- (m) Low-income housing tax credit. *The consolidated plan must describe the strategy to coordinate the Low-Income Housing Tax Credit with the development of housing that is affordable to low-income and moderate-income families.*

[71 FR 6968, Feb. 9, 2006]

## AFFORDABLE HOUSING

### AFFORDABLE HOUSING PRIORITY NEEDS TABLE

The Department is required by statute to provide for the housing needs of extremely low-, very low-, low- and moderate-income households. In an effort to assess the priority need level for the population, the following definitions were applied:

**High Priority (H):** Activities to address this need will be funded by the State during the five-year period.

**Medium Priority (M):** If funds are available, activities to address this need may be funded by the State during the five-year period.

**Low Priority (L):** The State will not fund activities to address this need during the five-year period. The State will consider certifications of consistency for other entities' applications for federal assistance.

**No Such Need (N):** The State finds there is no need or the State shows that this need is already substantially addressed. No certifications of consistency will be considered.<sup>58</sup>

The table below outlines the priority needs level within the categories addressed in the housing needs assessment. As the table indicates, the Department has placed a high priority on serving all household types with income levels between 0-80 percent of AMFI as well as special needs populations.

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<sup>58</sup> US Department of Housing and Urban Development, (December 28, 2007) *Guidelines For Preparing A State Consolidated Plan Submission For Housing & Community Development Programs*. Retrieved from [http://www.hud.gov/offices/cpd/about/conplan/toolsandguidance/guidance/state\\_guidelines.pdf](http://www.hud.gov/offices/cpd/about/conplan/toolsandguidance/guidance/state_guidelines.pdf).

**Table 2A  
State Priority Housing/Special Needs/Investment Plan Table**

<b>PART 1. PRIORITY HOUSING NEEDS</b>		<b>Priority Level Indicate High, Medium, Low,</b>
<b>Renter Small Related Households</b>	0-30%	H
	31-50%	H
	51-80%	H
<b>Renter Large related households</b>	0-30%	H
	31-50%	H
	51-80%	H
<b>Renter Elderly households</b>	0-30%	H
	31-50%	H
	51-80%	H
<b>Renter All other households</b>	0-30%	H
	31-50%	H
	51-80%	H
<b>Owner</b>	0-30%	H
	31-50%	H
	51-80%	H

<b>PART 2 PRIORITY SPECIAL NEEDS</b>	<b>Priority Level Indicate High, Medium, Low,</b>
Elderly	H
Frail Elderly	H
Severe Mental Illness	H
Developmentally Disabled	H
Physically Disabled	H
Persons w/ Alcohol/Other Drug Addictions	H
Persons w/HIV/AIDS	H
Victims of Domestic Violence	H
Other: Colonia residents; Migrant farmworkers	H

**AFFORDABLE HOUSING ALLOCATION PRIORITY NEEDS**

**POPULATIONS MOST IN NEED**

Through Rider 5 the Texas Legislature requires TDHCA to focus funding toward individuals and families that are earning less than 60 percent of the Area Median Family Income (AMFI). Rider 5 directs TDHCA to apply \$30,000,000 annually towards assisting extremely low-income households and no less than 20 percent of the Department’s total housing funds towards assisting very low-income households. Rider 5 is reflected in Affordable Housing Goal 5 and 6 below.

TDHCA is dedicated to serving populations that traditionally have the highest need for assistance. Below is a listing of those populations:

- 1) Extremely low-income individuals and households (0-30 percent AMFI) and very low-income individuals and households (0-60 percent AMFI);
- 2) Low-income special needs populations including elderly persons, frail elderly persons, persons with disabilities, persons with alcohol and/or other drug addictions, persons with HIV/AIDS, victims of domestic violence colonia residents; and migrant farm workers.

### *Rural/Non-Participating Jurisdictions*

TDHCA strives to serve lower-income individuals and households that reside in areas that do not receive direct funding or capital from the federal government, such as rural or non-Participating Jurisdictions (non-PJ). Rural or remote areas are considered in the development of programs and in the distribution of funds. Scoring criteria or set asides have been added to the applications or program rules to encourage the participation of these areas.

## **AFFORDABLE HOUSING PRIORITIZATION EXPLANATION**

Seventy-six percent of renter households with incomes at 0-30 percent AMFI and 76 percent of renter households with incomes at 31-50 percent AMFI, have one or more housing problems (cost burden, overcrowding, or substandard housing).

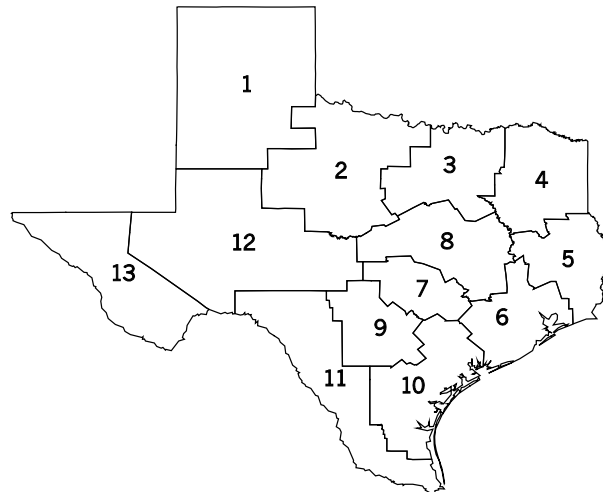
Seventy-two percent of owner households with incomes at 0-30 percent AMFI and 54 percent of owner households with incomes at 31-50 percent AMFI have one or more housing problems. Owner households with incomes at 0-50 percent AMFI account for 42 percent of all owner households with a housing problem and for 73 percent of owner households with a severe cost burden. Thirty-nine percent of owner households with incomes at 51-80 percent AMFI have one or more housing problems. The 0-80 percent AMFI category is given the highest priority of funding in the Priority Needs Summary Table.

The data presented in the Housing and Homeless Needs Assessment chapter of this report shows that households with lower incomes have higher incidences of housing problems. There are minimal differences between the incidences of housing problems between the two lowest income groups (0-30 percent AMFI and 31-50 percent AMFI). The incidences of housing problems for these two groups is significantly higher than that of the third low-income group, households with incomes at 51-80 percent AMFI, although considerable need exists within this group as well. Households at 0-80 percent AMFI have therefore been given higher priority than households above 80 percent AMFI. This prioritization will allow the State to target resources to those households most in need, regardless of household type.

## GEOGRAPHIC PRIORITIES

### HOME PROGRAM

TDHCA uses a Regional Allocation Formula (RAF) to distribute its HOME Investment Partnerships Program (HOME). The 13 regions used under the RAF are shown in the figure to the right, State Service Regions. The RAF also determines how funding is allocated to rural and urban areas within each region. The RAF's funding distributions are based on objective measures of each region's affordable housing need and available resources to address this need. The RAF is legislatively required by Section 2306.111(d) of the Government Code.



The first step in the RAF is to determine how the program funding would be distributed based solely on measures of regional need provided by US Census data. With the exception of the poverty numbers, the most relevant Census data is for households at or below 80 percent of the Area Median Family Income (AMFI). The following factors are used in the RAF to measure affordable housing need:

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

- 1) Census need data is adjusted to current year levels by applying a growth factor based on the growth experienced since 2000.
- 2) Each factor is assigned a weight based on its perceived value as a measure of affordable housing need (poverty = 50 percent, cost burden = 36 percent, overcrowding = 12 percent and substandard housing = 2 percent). In general, the weights reflect the relative number of persons or households affected by the housing problem.
- 3) Each measure's weight is multiplied by total amount of funding available under the RAF to determine the measure's funding amount.
- 4) For each measure, the region's number of affected persons or households is divided by the state total to determine the percentage of the state's need that is present in the region.
- 5) Each region's percentage of state need is multiplied by the measure's funding amount.
- 6) Finally, the funding distributed by the measures is summed for each region to determine the region's total allocation. The resulting regional funding distribution provides an overall measure of each region's affordable housing need.

### *Consideration of Available Housing Resources*

In addition to TDHCA, there are many other funding sources that address affordable housing need. To address any inherent regional funding inequities, the RAF analyzes the regional distribution of state and federal sources that provide housing assistance to households that are similar to those served by the program.

### *Other Considerations in Developing the Formula*

The allocation formula was developed under the premise that it would not serve as a static measure of need. Rather, the formula should be updated to reflect the availability of more accurate demographic information and the need to assess and modify the formula based on its actual performance. Specifically the following issues were considered:

- As information from other data sources becomes available, the formula should be revised to reflect this more recent data. The poverty statistics will be updated on an ongoing basis as they become available.
- As additional components of housing assistance may become relevant to the formula, the formula will continue to be open for public comment through the Department's public hearings.
- The affected programs have specific federal and state legislative requirements that govern how the funding may be distributed. In some instances, these rules may require that specific portions of funding shall be excluded from the allocation formula. It was also determined that dividing relatively small amounts of funding which are dedicated for specific uses on a regional basis would result in allocation amounts so small as to preclude their effective use by an applicant. Such issues will be carefully documented in each program's operating rules.

## **AFFORDABLE HOUSING OBSTACLES TO MEETING UNDERSERVED NEEDS**

Given the large need for affordable housing and the limited supply of funding, one major obstacle is the lack of sufficient funding to meet underserved housing needs in Texas. When compared to the demographic characteristics of Texas, there is a shortage of affordable housing stock and funding sources to assist in the development and maintenance of affordable housing.

Not only does a lack of funding limit the capacity of service providers, but service providers may also lack organizational capacity. Because of the remote nature of and smaller communities in rural areas, many of these communities are not aware of public or private resources or do not know how to successfully obtain them. The service providers in these communities may not know when or where to apply for funding, have availability of qualified staff, or have experience completing a successful housing program. Since one focus of the Department is non-participating jurisdictions which are often in rural areas, this lack of organizational capacity is of particular concern for TDHCA.

Even though lack of capacity may limit the success of obtaining and implementing housing programs, some communities have little incentive to build capacity because of the negative perception of affordable housing. Public opposition acts as a barrier to affordable housing, especially in regards to low-income multifamily development. During every application cycle for affordable multifamily housing, several communities submit letters to the Department stating their opposition to the proposed developments. Many of these complaints cite the communities' fear of falling property values or an increase in crime if a new affordable housing apartment is developed. However, direct association

## ***Strategic Plan***

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### ***Affordable Housing***

between affordable housing and crime or lower property values has not been proven by academic studies. These negative attitudes have been perpetuated by the “Not-In-My-Backyard” (NIMBY) mentality.

Another obstacle to affordable housing can be difficulty obtaining a clear title for low-income homeowners. Clear titles are required for homeowners to meet program eligibility requirements and protect TDHCA’s investment in affordable housing. Homeowners in need of housing repair or contract-for-deed conversions often have difficulty obtaining a clear title. Titles may not be in the homeowners’ name because of divorce or widowhood, in which case the ex-spouse is also on the title. Titles with liens are a common occurrence when converting contract-for-deeds into traditional mortgages.

To reduce obstacles to affordable housing, TDHCA closely monitors affordable housing trends and issues as well as conducting its own research. For example, as a result of the identification of insufficient funding, the Department requested and received an increase in Housing Trust Fund monies during the 81st Legislative Session. In addition, TDHCA makes adjustments to address community input gathered through roundtable discussions and public hearings held throughout the state. To illustrate this point, for the 2010-2011 Biennium Plan, the Housing Trust Fund is including a capacity-building component into its Rural Housing Expansion Program as a result of public input at a roundtable. To address the clear title issue, TDHCA is investigating a partnership with the Office of the Attorney General to help low-income Texans receive assistance by meeting the clear title program guideline. Furthermore, to address public opposition to affordable housing, the Department has funds available for research studies from qualified professionals to determine the effect of affordable housing developments on property values, social conditions and quality of life in surrounding neighborhoods. These efforts, combined with public outreach and education, are part of TDHCA’s commitment to overcome obstacles to affordable housing.

### ***HOME AND ESGP ADDRESS UNDERSERVED NEEDS***

The HOME Program provides grant funds, deferred forgivable loans and repayable loans to Units of General Local Government, nonprofit and for-profit organizations, Community Housing Development Organizations (CHDOs), and Public Housing Authorities (PHAs). These funds are primarily used to foster and maintain affordable housing by providing rental assistance, rehabilitation, or reconstruction of owner-occupied housing units, down payment and closing cost assistance with or without accessibility modifications for the acquisition of affordable single family housing, single family housing development, and funding for rental housing development including the preservation of existing affordable or subsidized rental housing.

HOME funds may also be used in conjunction with the Housing Tax Credit Program to construct or rehabilitate affordable rental housing.

Regarding ESGP, while TDHCA encourages the use of ESGP funds to provide affordable transitional housing, the majority of funds are utilized to provide emergency shelter. These funds meet the needs of local homeless populations.

### ***CDBG ADDRESSES UNDERSERVED NEEDS***

Tx CDBG encourages affordable housing projects using several methods in the allocation of CDBG funds to the eligible communities that can participate in its programs, including favorable state scoring and



regional prerogative to prioritize funding for housing infrastructure and rehabilitation. Each region is encouraged to set aside a percentage of the regional allocation for housing improvement projects, and housing applications are scored as high priority projects at the state level. Housing projects continue to be funded through the Colonia Self-Help Centers as well.

In addition, CDBG funding provides a cost savings for housing when CDBG funds are used to provide first-time water and wastewater services by installing water and sewer yardlines and paying impact and connection fees for qualifying residents. For PY 2010, the Tx CDBG will make funds available through five different grant categories to provide water or sewer services on private property, with the vast majority being low and moderate income households.

The most commonly cited obstacle to meeting the underserved community development needs of Texas cities (aside from inadequate funding) is the limited administrative capacity of the small rural towns and counties the CDBG program serves. Tx CDBG staff offers technical assistance to communities to promote successful CDBG projects.

CDBG funding also helps cities and counties study affordable housing conditions. The plans produced through a Tx CDBG planning contracts provide both valuable data concerning a city's or county's affordable housing stock and planning tools for expanding their affordable housing. In PY 2010, Tx CDBG will make funds available for planning through the Planning and Capacity Building Fund and the Colonia Planning and Construction Fund.

The Colonia Self-Help Centers continue to address affordable housing needs in border counties by assisting qualifying colonia residents to finance, refinance, construct, improve or maintain a safe, suitable home in suitable areas.

Another obstacle to meeting underserved needs applies to colonias projects. There have been cases when a county applies to provide water service to an area, but more than one water supply corporation or city may have a Certificate of Convenience and Necessity (CCN) in that territory (CCNs have been issued which have overlapping territories). In these cases, a dispute over which water supply corporation/city has the right to serve the territory (and therefore collect the revenues) may arise. A public hearing process may be necessary to resolve this issue, which can then delay projects for months. Tx CDBG will continue to work with regulatory agencies as appropriate to resolve issues in project areas in a timely manner.

### ***HOPWA ADDRESSES UNDERSERVED NEEDS***

The Texas HOPWA program continues to meet the needs of underserved populations in several ways.

As assessed regularly by Ryan White needs assessments in all HSDAs, housing needs are high among people living with HIV/AIDS. The Texas HOPWA program meets the needs of this underserved population throughout the state by providing essential housing and utilities assistance as part of a comprehensive medical and supportive services system. As a result, people living with HIV/AIDS and their families are able to maintain safe and affordable housing, reduce their risk of homelessness, and access medical care and supportive services.

In addition, DSHS is continuing to update funding allocations to address the changing needs of local communities and to maximize and target HOPWA funding to HSDAs that are in greatest need. DSHS will

## Strategic Plan

### Affordable Housing

consider a variety of factors including but not exclusive to HIV/AIDS morbidity, poverty level, housing costs and needs, homelessness data, program waitlists, and program expenditures.

## AFFORDABLE HOUSING GOALS AND OBJECTIVES

The Affordable Housing Goals are based upon measures developed with the State's Legislative Budget Board and Governor's Office of Budget and Planning. The goals and accomplishments are outlined in the Department's Legislative Appropriations Request for Fiscal Years 2010 and 2011, which was submitted in August 2008. The goals are also based upon Riders attached to the Department's Appropriations. The performance targets may have been adjusted based on updated information.

All applicants for funding are eligible and are encouraged to apply for and leverage funds from multiple agency programs. There will be a considerable amount of leveraging of HUD funds with those from other federal and State sources. The following affordable housing goals and objectives present TDHCA's holistic approach to addressing the state's affordable housing needs. While the HOME Program funds may be used in conjunction with other TDHCA programs, there is no way to pre-determine the extent of the overlap. Because of this, each program reports their performance separately, with its particular intention/use listed separately.

### HUD Objective and Outcome Category Codes

Category Codes	Availability/Accessibility	Affordability	Sustainability
Suitable Living Environment	SL-1	SL-2	SL-3
Decent Housing	DH-1	DH-2	DH-3
Economic Opportunity	EO-1	EO-2	EO-3

Refer to program-specific statements outlined in the Action Plan portion of this document for strategies that will be used to accomplish the goals and objectives listed below.

#### AFFORDABLE HOUSING 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**

**1.1 Proposed Accomplishment:** Provide federal mortgage loans and mortgage credit certificates through the single family Mortgage Revenue Bond Program.

(a) Specific Accomplishment: **Number of single family units assisted through the First Time Homebuyer Program. Outcome/objective category: DH-2**

Specific Output	2010	2011	2012	2013	2014
	2,146	2,146	2168	2185	2203

**1.2 Proposed Accomplishment:** Provide funding through the HOME Program for affordable single family housing.

(a) Specific Accomplishment: **Number of households assisted with single family HOME funds. Outcome/objective category: DH-2**

Specific Output	2010	2011	2012	2013	2014
	952	952	952	952	952

**1.3 Proposed Accomplishment:** Provide funding through the Housing Trust Fund for affordable single family housing.

(a) Specific Accomplishment: **Number of single family households assisted through the Housing Trust Fund. Outcome/objective category: DH-2**

Specific Output	2010	2011	2012	2013	2014
	230	230	350	350	350

**1.4 Proposed Accomplishment:** Provide tenant-based rental assistance through Section 8 vouchers.\*

(a) Specific Accomplishment: **Number of households assisted through Statewide housing assistance payments program. Outcome/objective category: DH-2**

Specific Output	2010	2011	2012	2013	2014
	1,100	1,100	1,100	1,100	1,100

\*HOME also provides Tenant-Based Rental Assistance as an eligible activity as a source of funds that provide rental assistance. More information can be found under HOME Rationale for Funding Plan on page 124 below.

**1.5 Proposed Accomplishment:** Provide federal tax credits to develop rental housing for very low-income and low-income households.

(a) Specific Accomplishment: **Number of multifamily units financed through the Housing Tax Credit Program and mortgage revenue bond funds. Outcome/objective category: DH-2**

Specific Output	2010	2011	2012	2013	2014
	12,609	12,485	12,485	12,485	12,485

**1.6 Proposed Accomplishment:** Provide funding through the HOME Program for affordable multifamily housing. Outcome/objective category: DH-2

(a) Specific Accomplishment: **Number of households assisted through multifamily HOME funds.**

Specific Output	2010	2011	2012	2013	2014
	262	262	262	262	262

**1.7 Proposed Accomplishment:** Provide funding through the Housing Trust Fund for affordable multifamily housing.

(a) Specific Accomplishment: **Number of households assisted through the multifamily Housing Trust Fund Program. Outcome/objective category: DH-2**

Specific Output	2010	2011	2012	2013	2014
	23	23	35	35	35

## AFFORDABLE HOUSING GOAL 2:

**TDHCA will provide information and assistance for housing and community services.**

**2.1 Proposed Accomplishment:** Provide information and assistance for housing and community services through the Housing Resource Center, Planning and Communications.

(a) Specific Accomplishment: **Number of information and technical assistance requests completed. Outcome/objective category: DH-1**

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**Affordable Housing**

Specific Output	2010	2011	2012	2013	2014
	5,000	5,000	5,000	5,000	5,000

**2.2 Proposed Accomplishment:** Assist colonias, border communities and nonprofits.

(a) Specific Accomplishment: **Number of technical assistance contracts and visits conducted by field offices. Outcome/objective category: DH-1**

Specific Output	2010	2011	2012	2013	2014
	800	800	800	800	800

**AFFORDABLE HOUSING GOAL 3 (SAME AS HOMELESSNESS GOAL 1):  
TDHCA WILL IMPROVE LIVING CONDITIONS FOR THE POOR AND HOMELESS AND REDUCE THE COST OF HOME ENERGY FOR VERY LOW-INCOME TEXANS.**

See goals and objectives listed under the Strategic Plan Homelessness Goal 1.

**AFFORDABLE HOUSING GOAL 4:  
TDHCA WILL ENSURE COMPLIANCE WITH THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS' FEDERAL AND STATE PROGRAM MANDATES.**

**4.1 Proposed Accomplishment:** Monitor and inspect for federal and state housing program requirements.

(a) Specific Accomplishment: **Number of monitoring reviews. Outcome/objective category: DH-3**

Specific Output	2010	2011	2012	2013	2014
	4,214	4,526	4,666	4,806	4,946

(b) Specific Accomplishment: **Total number of desk reviews. Outcome/objective category: DH-3**

Specific Output	2010	2011	2012	2013	2014
	3,350	3,567	3,667	3,767	3,867

(c) Specific Accomplishment: **Total number of onsite reviews.**

Specific Output	2010	2011	2012	2013	2014
	864	959	999	1,039	1,079

**4.2 Proposed Accomplishment:** Monitor federal and state subrecipient contracts for programmatic and fiscal requirements. Outcome/objective category: DH-3

(a) Specific Accomplishment: **Number of contract monitoring reviews conducted. Outcome/objective category: DH-3**

Specific Output	2010	2011	2012	2013	2014
	208	208	208	208	208

(b) Specific Accomplishment: **Number of single audit reviews. Outcome/objective category: DH-3**

Specific Output	2010	2011	2012	2013	2014
	194	194	194	194	194

**AFFORDABLE HOUSING GOAL 5:  
TDHCA WILL TARGET ITS HOUSING FINANCE PROGRAMS RESOURCES FOR ASSISTANCE TO EXTREMELY LOW-INCOME HOUSEHOLDS.**

**5.1 Proposed Accomplishments:** 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.

**Specific Accomplishment:** Amount of housing finance division funds applied towards housing assistance for individuals and families earning less than 30 percent of median family income. *Outcome/objective category: DH-2*

Specific Output	2010	2011	2012	2013	2014
	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000

**AFFORDABLE HOUSING GOAL 6:  
TDHCA WILL TARGET ITS HOUSING FINANCE RESOURCES FOR ASSISTANCE TO VERY LOW-INCOME HOUSEHOLDS.**

**6.1 Proposed Accomplishments:** Adopt an annual goal to apply no less than 30 percent of the division's total housing funds toward housing assistance for individuals and families earning between 31 percent and 60 percent of median family income.

**Specific Accomplishment:** Percent of housing finance division funds applied towards housing assistance for individuals and families earning between 31 percent and 60 percent of median family income. *Outcome/objective category: DH-2*

Specific Output	2010	2011	2012	2013	2014
	20%	20%	20%	20%	20%

## HOME RATIONALE FOR FUNDING PLAN

The annual allocation of federal housing funds addresses less than one percent (1%) of the need for safe, decent, affordable housing in Texas. According to the 2000 Census, more than half of the Owner Households earning fifty percent (50%) or less of the Area Median Income reported having at least one housing problem. Lower income groups have higher rates of incidence of housing problems. Among household types, large related family households have the highest rates of housing problems.

In order to offer flexibility to meet housing needs at the local level, the Department participates in four major HOME activities including Homeowner Rehabilitation, Homeownership Assistance (with or without rehabilitation), Tenant-Based Rental Assistance, and Rental Housing Development. The allocation of funds among the four major activities is based on previous demand for program funds and minimizing the duplication of effort with other Department programs. Historically, the greatest demand has been for Homeowner Rehabilitation funds, currently the only program of this type at the Department. The balance of funds is distributed equally between the Homeownership and Tenant-Based Rental

## ***Strategic Plan***

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### ***Affordable Housing***

Assistance. While the demand for Homeownership Assistance has fluctuated recently, there continues to be demand to leverage these funds with local or private sector funds.

Additionally, 2000 Census data demonstrates a higher need of reported housing problems (approximately 76%) for Renter Households earning fifty percent (50%) or less of Area Median Income. Since housing problems increase with lower income renters, the Department has elected to continue with Tenant-Based Rental Assistance to offer flexibility at the local level to include the program as a component of their housing continuum. In order to increase rural housing stock, the Department also elects to allocate a minimum of \$5 million annually to allow for rural housing development and preservation. To meet local and market demands, the Department allocates program income or redistributes deobligated funds from non-performing contracts to those requests outstanding for housing assistance. Typically, these additional funds have been allocated to the Rental Housing Development activity, but the Department may allocate to any HOME activity oversubscribed in its funding requests.

## **PUBLIC HOUSING**

### **PUBLIC HOUSING AUTHORITIES RESIDENT INITIATIVES**

The Texas Department of Housing and Community Affairs believes that the future success of Public Housing Authorities (PHAs) will center on ingenuity in program design, emphasis on resident participation towards economic self-sufficiency, and partnerships with other organizations to address the needs of this population. While TDHCA does not have any direct or indirect jurisdiction over the management or operations of public housing authorities, it is important to maintain a relationship with these service providers.

### **PUBLIC HOUSING AUTHORITIES NEEDS**

To address PHA needs, TDHCA has designated PHAs as eligible entities for its programs, such as the Housing Tax credit (HTC) Program, HOME Program and ESG Program. PHAs have successfully administered HTC funds to rehabilitate or develop affordable rental housing. Discussion of the HOME and ESG Program in regards to PHAs is below in HOME and ESGP Address PHA Needs.

TDHCA has developed a relationship with the Texas Housing Association and the Texas chapter of the National Association of Housing and Redevelopment Officials, which represent the public housing authorities of Texas. TDHCA has worked to promote programs that will repair substandard housing and develop additional affordable housing units.

### **PUBLIC HOUSING AUTHORITIES GEOGRAPHIC PRIORITIES**

Because PHAs can apply for funding through TDHCA, the priority for allocating investment geographically within the state for PHAs primarily depends on the priority designated for each program for which PHAs apply. Please review Housing Needs Section for geographic priorities.

An exception to this geographic priority is TDHCA's Section 8 Housing Choice Voucher Program. Approximately 30 years ago, TDHCA applied to HUD and received approximately 1,000 vouchers for rural areas that don't have PHAs or areas in which the PHA would like to work with TDHCA for this particular program. These areas may not have the capacity to form and support a PHA or apply for Section 8 vouchers themselves. TDHCA administers the Section 8 vouchers directly to residents in these areas; it is the only program in which TDHCA administers a program directly to low-income Texans by paying approved rent amounts to property owners.

There are no known troubled PHAs that are not within boundaries of a unit of general local government that must submit a consolidated plan to HUD. TDHCA has worked to promote programs that will repair substandard housing and develop additional affordable housing units. The US Department of Housing and Urban Development also has an increased interest in seeing state housing agencies work closer with PHAs to plan and implement initiatives to improve public housing. In 1999, TDHCA, as required by 24 CFR §903.15, started a certification process to ensure that the annual plans submitted by public housing authorities in an area without a consolidated plan are consistent with the State's Consolidated Plan.

## **PUBLIC HOUSING AUTHORITIES ALLOCATION PRIORITIES**

Currently the Section 8 Program provides financial assistance for decent, safe and sanitary housing to eligible households whose annual gross income does not exceed 50% of HUD's median income guidelines. HUD sets allocation priorities by requiring 75% of all new households admitted to the program be at or below 30% of the area median income. Furthermore, approximately 60 of the Section 8 vouchers are used for the Project Access Program which focuses on people with disabilities. The purpose of Project Access is to assist low-income non-elderly persons with disabilities to transition from institutions into the community by providing access to affordable housing.

## **PUBLIC HOUSING AUTHORITIES OBSTACLES TO MEETING UNDERSERVED NEEDS**

The main obstacle to meeting underserved needs in PHAs is the lack of resources. TDHCA addresses the lack of capacity by providing Section 8 vouchers directly to low-income Texans in certain areas of the state. However, with approximately 1000 vouchers, there are not enough to meet the need of low-income renters. Similarly, PHAs that apply for other programs offered through TDHCA may not be awarded because of lack of funding availability; most programs exhaust their funds during the program year.

### ***HOME AND ESGP ADDRESS PUBLIC HOUSING NEEDS***

Because PHAs are eligible applicants under the HOME Program, TDHCA sends notification of published notices of funding availability to all PHAs in the state. At HOME application workshops, application processes are discussed in detail, including those related to Homebuyer Assistance. Furthermore, staff of PHAs, especially those receiving HOME funds and those with Section 8 Homeownership programs, are targeted by TDHCA's Texas Statewide Homebuyer Education Program for training to provide homebuyer education opportunities and self-sufficiency tools for PHA residents.

In addition to PHAs that have received HOME funds to provide homebuyer assistance in their areas, PHAs have also received HOME tenant-based rental assistance funds, enabling them to provide additional households with rental assistance and services to increase self-sufficiency.

PHA residents are eligible to receive assistance and services from ESGP grantees.

### ***CDBG ADDRESSES PUBLIC HOUSING NEEDS***

Litigation concerning CDBG funding and public housing authorities, known as *Young v. Martinez*, focused attention and funds on these areas in the past. The State provided three funding set-asides to address Court-ordered activities under the Final Order and Decree for the litigation, obligating a total of \$13,664,753.18 for 62 *Young v. Martinez* Fund projects in PHA areas. Although the litigation has been settled, Tx CDBG continues to serve public housing areas through other funding categories as residents of PHAs qualify as low to moderate income beneficiaries for CDBG projects.



***HOPWA ADDRESSES PUBLIC HOUSING NEEDS***

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

**PUBLIC HOUSING AUTHORITIES GOALS AND OBJECTIVES**

For priorities and specific objectives regarding Section 8, see the Affordable Housing Goal 1, proposed accomplishment 1.4.

## HOMELESS PRIORITY NEEDS

Homeless persons are considered a priority group for housing-related funding (see “priority housing needs” above). The priorities also target households at 80 percent or less of median income, particularly those with a severe cost burden or living in substandard housing conditions. Much of this population group can be considered ‘at-risk’ of homelessness.

**Homeless  
Priority Needs Summary Table**  
H=High, M=Medium, L=Low, N=No Such Need

Priority Homeless Needs	Priority Need Level Families	Priority Need Level Individuals	Priority Need Level Persons w/ Special Needs
Assessment/Outreach	H	H	H
Emergency Shelter	H	H	H
Transitional Housing	H	H	H
Permanent Supportive Housing	H	H	H
Permanent Housing	H	H	H

The Priority Needs Summary Table uses the following definitions:

**High Priority (H):** Activities to address this need will be funded by the State during the five-year period.

**Medium Priority (M):** If funds are available, activities to address this need may be funded by the State during the five-year period.

**Low Priority (L):** The State will not fund activities to address this need during the five-year period. The State will consider certifications of consistency for other entities’ applications for federal assistance.

**No Such Need (N):** The State finds there is no need or the State shows that this need is already substantially addressed. No certifications of consistency will be considered.<sup>59</sup>

## HOMELESS GEOGRAPHIC PRIORITIES

ESGP funds are reserved according to the percentage of poverty population identified in each of 13 TDHCA service regions (i.e., Region 1, with 3.95 percent of the State’s poverty population, was awarded 3.95 percent of the available funds). The top scoring applications in each region are recommended for funding, based on the amount of funds available for that region.

<sup>59</sup> US Department of Housing and Urban Development. (2007, December 28). Guidelines for preparing a state consolidated plan submission for housing & community development programs. Retrieved from [http://www.hud.gov/offices/cpd/about/conplan/toolsandguidance/guidance/state\\_guidelines.pdf](http://www.hud.gov/offices/cpd/about/conplan/toolsandguidance/guidance/state_guidelines.pdf).

## HOMELESSNESS GOALS & OBJECTIVES

The Homelessness Goals are based upon measures developed for the Department's Legislative Appropriations Request for Fiscal Years 2010 and 2011, which was submitted in August 2008. The performance targets may have been adjusted based on updated information. Refer to program specific statements in the Action Plan portion of this document for strategies that will be used to accomplish the goals and objectives outlined below.

### HUD Objective and Outcome Category Codes

Category Codes	Availability/Accessibility	Affordability	Sustainability
Suitable Living Environment	SL-1	SL-2	SL-3
Decent Housing	DH-1	DH-2	DH-3
Economic Opportunity	EO-1	EO-2	EO-3

Refer to program specific statements in the Action Plan portion of this document for strategies that will be used to accomplish the goals and objectives outlined below.

### ESGP Performance Measures

Outcomes and Objectives	Performance Indicators	Expected 2009 Amount
SL-1	Provide funding to support the provision of emergency and/or transitional shelter to homeless persons.	28,000
DH-2	The provision of non-residential services including homelessness prevention assistance.	72,000

**HOMELESSNESS GOAL 1 (SAME AS AFFORDABLE HOUSING GOAL 3):  
TO IMPROVE LIVING CONDITIONS FOR THE POOR AND HOMELESS AND REDUCE THE COST OF HOME ENERGY FOR VERY LOW INCOME TEXANS.**

**1.1 Proposed Accomplishment:** Administer poverty-related federal funds through a network of agencies.

(a) Specific Accomplishment: **Number of persons assisted through homeless and poverty related funds. Outcome/objective category: SL-1**

Specific Output	2010	2011	2012	2013	2014
	515,511	515,511	550,000	550,000	550,000

(b) Specific Accomplishment: **Number of persons assisted that achieve incomes above poverty level. Outcome/objective category: DH-2**

Specific Output	2010	2011	2012	2013	2014
	3,000	3,000	3,000	3,000	3,000

(c) Specific Accomplishment: **Number of persons assisted by the Community Services Block Grant Program. Outcome/objective category: SL-1**

Specific Output	2010	2011	2012	2013	2014
	413,251	413,251	445,000	445,000	445,000

## Strategic Plan

### Homeless Needs

(d) Specific Accomplishment: **Number of persons assisted by the Emergency Shelter Grant Program.**  
**Outcome/objective category: SL-1**

Specific Output	2010	2011	2012	2013	2014
	102,261	102,261	105,000	105,000	105,000

**1.2 Proposed Accomplishment: Administer state energy assistance programs.**

(a) Specific Accomplishment: **Number of households receiving energy assistance.** **Outcome/objective category: SL-1**

Specific Output	2010	2011	2012	2013	2014
	66,050	48,152	47,653	47,653	47,653

(b) Specific Accomplishment: **Number of dwelling units weatherized by the Department.**  
**Outcome/objective category: SL-1**

Specific Output	2010	2011	2012	2013	2014
	20,679	19,127	2,610	2,594	2,578

Refer to program specific statements in the Action Plan portion of this document for strategies that will be used to accomplish the goals and objectives listed above.

## STATE OVERVIEW OF HOMELESS SOLUTIONS

During the 2009 legislative session, the Department developed a guide entitled *Within Reach: Solutions to Homelessness in Texas* which outlined homelessness issues. The draft publication, to be released the winter of 2009, discusses how the state and partnering organizations can prevent low-income families from becoming homeless, reach out to homeless persons, assess the emergency shelter and transitional housing needs of homeless persons and help homeless persons make the transition to permanent housing.

Focusing on cost-effective strategies, *Within Reach* notes that it is more expensive to re-house homeless households than to prevent homelessness with short-term or long-term assistance. *Within Reach* presents a three-pronged approach for homeless prevention. This approach includes increasing the number of affordable housing units, increasing the amount of resources available to low-income persons and increasing access to decent, affordable health care. To apply this three-pronged approach, the guide recommends increasing asset building and financial literacy programs, rental assistance and foreclosure counseling.

*Within Reach* also discusses strategies to improve the services provided to homeless populations. After examining the demographics of the homeless population, the guide recommends creating a state-wide definition of homelessness to prevent confusion and ensure uniformity of service. It also recommends using state funds to reach homeless populations. For example, the Texas' Housing Trust Fund has already been used to address homeless special needs populations through rental assistance programs. Moreover, the guide recommends encouraging statewide agency coordination, such as creating a State Office on Homelessness as part of TDHCA. Finally, the guide points out that making policy decisions

using streamlined, consolidated data will help program administrators explore opportunities to provide specific training to service providers and target the use of funds.

The guide also addresses emergency shelters and the transition to permanent housing. It recommends increasing permanent affordable housing linked to supportive services as well as improving discharge planning and transitional housing. Discharge planning addresses the needs of youth aging out of foster care, consumers leaving mental health and physical health facilities and individuals leaving the criminal justice system. The guide recommends that each program be evaluated for efficacy and areas of improvement. For example, the Department of State Health Services, the federal Social Security Administration and Department of Homeland Security could improve the discharge system by coordinating to provide state identification cards for ex-offenders; lack of identification can become an obstacle to obtaining housing upon release.

## **OBSTACLES TO MEETING UNDERSERVED HOMELESS NEEDS**

*Within Reach: Solutions to Homelessness in Texas* outlines the barriers to addressing the needs of the homeless populations. The guide lists the main obstacles as the large size of Texas, the large rural population, the lack of flexibility and adequate apply of funding streams for homeless needs, the lack of interagency authority and the lack of community support.

Texas is the second largest state in population and area. Texas faces issues specific to its size such as lack of resources, staffing, outreach and service provision. *Within Reach* observes that Texas is still growing in population and, as it does, the proportion of low-income families and individuals may also grow as well.

As cited in *Within Reach*, the Texas Comptroller estimates that in 2005 14% of the population, or approximately three million people, lived in rural areas. *Within Reach* notes that rural communities tend to have lower incomes, face increased difficulty in accessing health care and have a higher average age than communities in urban areas. The homeless populations in rural areas tend to be families with children and often have significant health care issues. Because the rural population is often isolated, service provision, outreach, transportation and accurate data collection become problematic.

*Within Reach* notes that funding sources for the homeless lack flexibility and are not available in adequate supply. The federal government provides the majority of the funds, which are often administered through state and local agencies. A significantly smaller portion of funding comes from general state revenue, local revenue and private donations. The latter funding sources are usually directed toward a certain population and do not focus on local issues.

There are multiple funding sources to address homeless needs but there is no single agency that coordinates the use of these funds. While the Texas Interagency Council on Homeless (TICH) was created in 1989 to coordinate the State's homeless resources and services, TICH receives no funding and has no full-time staff. TICH consists of representatives from all state agencies that serve the homeless; there are ten permanent members TICH. It receives clerical and advisory support from the Department. On page 10, *Within Reach* states, "While this council has statutory authority to evaluate the efficacy of programs and recommend steps to improve service coordination and delivery, the TICH currently lacks the resources to fully implement the statute and so has largely served in a lower-profile role."

## ***Strategic Plan***

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### ***Homeless Needs***

Even though demographic evidence shows that the homeless population consists of families, children, veterans, people with disabilities and victims of domestic violence and natural disasters, public perception still pictures homeless people as single men on the street corner asking for change from passing cars. Within Reach points out that, because the perception of the homeless is largely negative, community and political support for prevention and support services remains thin.

## **SPECIAL NEEDS PRIORITY NEEDS**

Low-income persons with special needs—including elderly persons, frail elderly persons, persons with disabilities, persons with alcohol and/or other drug addictions, persons with HIV/AIDS, victims of domestic violence, residents of colonias and public housing residents—are considered a priority group for housing-related funding.

Please refer to the Housing and Homeless Needs Assessment Section of this document for more detailed descriptions of the need associated with these special needs groups. As the aforementioned groups are subpopulations of groups covered in the previous topics, please refer to the Affordable Housing and Homeless prioritization list.

For the HOME Program, directed assistance for persons with disabilities is issued under a separate Notices of Funding Availability including eligible activities for Rental Development, TBRA, and HBA with optional rehabilitation activities. Subject to the availability of qualified applications, TDHCA has a goal to allocate a minimum of 20 percent of the annual HOME allocation to applicants serving persons with special needs. Eligible applicants include nonprofits, for-profits, units of general local government, and PHAs with documented histories of working with special needs populations. All HOME Program activities will be included in attaining this goal.

## **SPECIAL NEEDS GEOGRAPHIC PRIORITIES**

Please review Housing Needs Section for geographic priorities.

## **SPECIAL NEEDS ALLOCATION PRIORITIES**

The Comprehensive Energy Assistance Program (CEAP), Weatherization Assistance Program (WAP), HOME Program, Housing Trust Fund Program, Housing Tax Credits (HTC) Program, Multifamily Bond Program, Section 8 Program and the Office of Colonia Initiatives all have specific measures to address the needs of people with special needs. These populations receive allocation priorities because they are the state's most vulnerable populations. Public Housing Residents are not discussed here, but are discussed under the Public Housing Section above.

Priority for energy assistance through CEAP and WAP is given to the elderly and persons with disabilities, as well as other prioritized groups. Local providers must implement special outreach efforts for these special needs populations.

As established in Section 2306.111(c) of the Texas Government Code and subject to the submission of qualified applications, five percent of the annual HOME Program allocation is allocated for applications serving persons with disabilities living in any part of the state. Furthermore, HOME's Homebuyer Assistance with Rehabilitation activity provides down payment and closing cost assistance as well as construction costs associated with architectural barrier removal to assist homebuyers with disabilities. The Owner-Occupied Housing Assistance activity, offered through the HOME Program, provides funds for the repair and rehabilitation of homes owned by very low-income households; many of the households assisted in this program are elderly. The Contract for Deed Conversion Initiative, offered through the HOME Program, facilitates homeownership by converting contracts for deed into traditional mortgages.

## **Strategic Plan**

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### **Special Needs**

Many of these Contracts for Deeds are in colonias. Also, the Colonia Model Subdivision activity provides loans to develop residential subdivisions as alternatives to colonias.

To further address the specific needs of special needs populations, HOME, Housing Trust Fund, HTC and Multifamily Bond developments that are new construction must conform to Section 504 standards. These standards require that at least five percent of the development's units be accessible for persons with physical disabilities and at least two percent of the units be accessible for persons with hearing and visual impairments.

According to the 2009 Housing Tax Credit Program Qualified Allocation Plan, HTC offers additional application points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs. In addition, the HTC and Multifamily Bond programs fund Qualified Elderly Developments, a development in which elderly residents occupy 80 to 100 percent of the units

TDHCA's Section 8 Housing Choice Vouchers Program administers the Project Access program to assist low-income, non-elderly persons with disabilities to transition from institutions into the community by providing access to affordable housing. Eligible households are those that meet the Section 8 criteria, have a permanent disability, are less than 62 years of age and are either an At-Risk Applicant and a previous resident or a current resident of a nursing facility, intermediate care facility, or board and care facility at the time of voucher issuance.

In 1996, in an effort to place emphasis on addressing the needs of colonias, OCI at TDHCA was created to coordinate all Department and legislative initiatives involving border and colonia issues and manage a portion of the Department's existing programs targeted at colonias. The fundamental goal of OCI is to improve the living conditions and lives of border and colonia residents and to educate the public regarding the Department services. As part of its plan to improve the living conditions in colonias, OCI offers OCI Border Field Offices which provide technical assistance to the counties and colonia self-help centers.

### **SPECIAL NEEDS OBSTACLES TO MEETING UNDERSERVED NEEDS**

Similar to the obstacles to serving other populations, the lack of resources is one of the main obstacles to serving special needs populations. However, the special needs populations have particular obstacles specific to its needs. For example, service providers need specific skills to administer assistance to populations with special needs, such as training in substance-abuse recovery. The low capacity of service providers can prevent them from serving special needs populations. Furthermore, special needs populations often require a great amount of assistance in terms of large subsidies and multiple service providers. The funding for this amount of assistance can be difficult to obtain and the coordination among service providers takes a great deal of cooperation.



## OTHER SPECIAL NEEDS GOALS & OBJECTIVES

### SPECIAL NEEDS GOAL 1:

**COMMIT FUNDING RESOURCES TO ADDRESS THE HOUSING NEEDS AND INCREASE THE AVAILABILITY OF AFFORDABLE AND ACCESSIBLE HOUSING FOR PERSONS WITH SPECIAL NEEDS.**

**1.1 Proposed Accomplishments:** Dedicate no less than 20 percent of the HOME project allocation for applicants that target persons with special needs.

Specific Accomplishment: **Percent of the HOME project allocation awarded to applicants that target persons with special needs. *Outcome/objective category: DH-1***

Specific Output	2010	2011	2012	2013	2014
	≥20%	≥20%	≥20%	≥20%	≥20%

**1.2 Proposed Accomplishments:** Dedicate no less than 10 percent of the Housing Trust Fund project allocation for applicants that target persons with special needs.

Specific Accomplishment: **Percent of the Housing Trust Fund project allocation awarded to applicants that target persons with special needs. *Outcome/objective category: DH-1***

Specific Output	2010	2011	2012	2013	2014
	≥10%	≥10%	≥10%	≥10%	≥10%

**1.3 Proposed Accomplishments:** Dedicate no less than five percent of the Multifamily Bond Program units for persons with special needs.

Specific Accomplishment: **Percent of the Multifamily Bond Program units dedicated to persons with special needs. *Outcome/objective category: DH-1***

Specific Output	2010	2011	2012	2013	2014
	≥5%	≥5%	≥5%	≥5%	≥5%

**1.4 Proposed Accomplishments:** Provided with short-term rent, mortgage, utility payments, or tenant-based rental assistance to persons with AIDS.

Specific Accomplishment: **Number of persons with AIDS assisted with short-term rent, mortgage, utility payments (*Outcome/objective category: DH-2*), or tenant-based rental assistance (*Outcome/objective category: DH-1*).**

Specific Output	2010	2011	2012	2013	2014
	700*	720**	740***	760****	780*****

\* 700 households will be provided with short-term rent, mortgage and utility payments and 550 households will be provided project or tenant-based rental assistance.

\*\* 720 households will be provided with short-term rent, mortgage and utility payments and 565 households will be provided project or tenant-based rental assistance.

\*\*\* 740 households will be provided with short-term rent, mortgage and utility payments and 580 households will be provided project or tenant-based rental assistance.

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### Special Needs

\*\*\*\* 760 households will be provided with short-term rent, mortgage and utility payments and 595 households will be provided project or tenant-based rental assistance.

\*\*\*\*\* 780 households will be provided with short-term rent, mortgage and utility payments and 610 households will be provided project or tenant-based rental assistance.

### ADDITIONAL SPECIAL NEEDS GOALS

TDHCA recognizes that there is still much to be done to address the needs of those populations that are most vulnerable and in need of the Department's services—particularly those persons with special needs as outlined above. While HUD has requested that goals and objectives be listed in a format that allows for yearly quantifiable results, the Department feels that it would be negligent not to list its continued policy initiatives with regards to special needs populations. TDHCA recognizes that overarching agency policies will lead to the creation of additional program specific goals, objectives and outcome. Below are general policies regarding special needs populations.

**SPECIAL NEEDS GOAL 2:  
COMPILE INFORMATION AND ACCURATELY ASSESS THE HOUSING NEEDS OF AND THE HOUSING RESOURCES AVAILABLE TO PERSONS WITH SPECIAL NEEDS.**

#### 2.1 Proposed Accomplishments

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

**SPECIAL NEEDS GOAL 3:  
INCREASE COLLABORATION BETWEEN ORGANIZATIONS THAT PROVIDE SERVICES TO SPECIAL NEEDS POPULATIONS AND ORGANIZATIONS THAT PROVIDE HOUSING.**

#### 3.1 Proposed Accomplishments

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

**GOAL 4: DISCOURAGE THE SEGREGATION OF PERSONS WITH SPECIAL NEEDS FROM THE GENERAL PUBLIC.**

**4.1 Proposed Accomplishments**

- A. Increase the awareness of the availability of conventional housing programs for persons with special needs.
- B. Support the development of housing options and programs, which enable persons with special needs to reside in non-institutional settings.

## **HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) STRATEGIC PLAN**

This grant application for Housing Opportunities for Persons with AIDS (HOPWA) is part of the 2010 State of Texas Consolidated Plan for program year 2010 (February 1, 2010, through January 31, 2011). Although this application is part of the Consolidated Plan submitted to US Department of Housing and Urban Development (HUD) by the Texas Department of Housing and Community Affairs, HUD will directly contract with the Texas Department of State Health Services (DSHS) for the HOPWA Program as it has done since 1992.

Provided below is DSHS's part of the 2010 Consolidated Plan as it relates to persons with HIV/AIDS and their families.

### **HOPWA PRIORITY NEEDS**

The Human Immunodeficiency Virus (HIV) disease and Acquired Immunodeficiency syndrome (AIDS) is fast becoming a disease of the poor. The proportion of AIDS cases is higher among women, children, and minorities, who are already overrepresented by the poor. The debilitating nature of the HIV disease and the high cost of medical treatment impact employability while increasing the cost of living. Loss of employment, underemployment and lack of insurance quickly drain financial resources and can lead to loss of housing. While affordable housing declines, the need for housing may actually increase as people with HIV live longer due to improved medications.

Using an estimate made by the National Commission on AIDS that one-third to one-half of persons with AIDS are either homeless or at risk of homelessness, there may be from 9,686 to 14,530 people living with AIDS in Texas who are homeless or at risk of homelessness. It is unknown how many symptomatic people with HIV are at risk. Housing continues to rank high on the needs assessments of people with HIV/AIDS.

While DSHS distributes approximately \$76.1 million in Ryan White and State Services grants to provide a wide array of health and social services for persons with HIV/AIDS, housing traditionally has received less resource allocation at the local level than the more pressing medical problems of the affected persons. An additional \$50.4 million is spent on HIV medications. Federal Ryan White funds may not be used for housing except for housing referral services and short-term or emergency housing defined as necessary to gain or maintain access to medical care.

The HOPWA Program continues to fill the unmet need by providing emergency housing assistance and rental assistance. Since the primary objective of this project is the provision of assistance to continue independent living, the continuation of HOPWA funding is critical in addressing the future threat of homelessness for persons with HIV/AIDS in Texas.

### **HOPWA BASIS FOR ASSIGNING PRIORITY**

Individuals eligible to receive assistance or services under the HOPWA Program are persons with AIDS or related diseases and their families who are low income as defined by HUD. Eligible persons for participation in the program are determined routinely at intake for all HIV/AIDS services clients. They

are assessed for changes in housing eligibility status during regular assessment visits with their case manager. Any client needing housing assistance may request determination of eligibility as needed.

### ***GEOGRAPHIC PRIORITIES***

The funding allocations are geographically distributed across the state to the 26 HSDAs, excluding 35 counties located in the Eligible Metropolitan Areas (EMAs) that receive direct HOPWA funding from HUD. The 35 counties in the six directly-funded EMAs of Austin, Dallas, Fort Worth, Houston, San Antonio, and El Paso are as follows: Bastrop, Caldwell, Hays, Travis, Williamson, Collin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman, Rockwall, Johnson, Parker, Tarrant, Wise, Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, Waller, Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, and Wilson.

### **HOPWA OBSTACLES TO MEETING UNDERSERVED NEEDS**

The most often received comment to meeting underserved needs relate to the shortage of available low income housing for the increased demand for persons living in poverty; not only for HIV/AIDS infected clients, but for low income persons in general. Other concerns include the inability to use the HOPWA funds to pay deposits, confidentiality, securing permanent and affordable housing to move persons off HOPWA assistance, and a shortage of funds in some regions.

### ***SUMMARY OF PRIORITIES***

The priorities of the program are to keep persons with HIV/AIDS from becoming homeless and to provide a better quality of life for them and their families during all stages of the disease. Persons with HIV/AIDS have a full set of needs including medical care, drugs, food, transportation, counseling, case management, and housing. The need for housing continues to increase as AIDS becomes more a disease of the poor.

### **HOPWA SPECIFIC OBJECTIVES**

The goals of the HOPWA program are to help low-income HIV-positive clients establish or maintain affordable and stable housing, to reduce the risk of homelessness, and to improve access to health care and supportive services through the following HOPWA program services:

#### ***TENANT-BASED RENTAL ASSISTANCE (TBRA) PROGRAM***

The TBRA program provides tenant-based rental assistance to eligible individuals until they are able to secure other affordable and stable housing.

#### ***SHORT-TERM RENT, MORTGAGE, AND UTILITIES (STRMU) ASSISTANCE PROGRAM***

The STRMU program provides short-term rent, mortgage, and utility payments to eligible individuals for a maximum of 21 weeks of assistance in a 52-week period.

#### ***SUPPORTIVE SERVICES PROGRAM***

The Supportive Services program provides case management, basic telephone service and assistance to purchase smoke detectors to eligible individuals.

## **Strategic Plan**

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### **HOPWA**

#### **PERMANENT HOUSING PLACEMENT SERVICES (PHP)**

The PHP program provides assistance for housing placement costs which may include application fees, related credit checks, and reasonable security deposits necessary to move persons into permanent housing.

#### **HOPWA PROPOSED ACCOMPLISHMENTS**

Based on prior-year performance and level funding from HUD, DSHS estimates that 700 households can be provided with short-term rent, mortgage, and utility payments, 550 households can be provided tenant-based rental assistance, and 20 households can be provided permanent housing placement during the 2010 project year. All households will be provided with supportive services funded through HOPWA, Ryan White, or other leveraged sources. Each project sponsor will be allowed to utilize up to 7 percent of its allocation for administration of the program.

##### **YEAR 2010 GOAL:**

700 households will be provided with short-term rent, mortgage, and utility payments and 550 households will be provided project or tenant-based rental assistance. (Total estimated to be served: 1,250)

##### **YEAR 2011 GOAL:**

720 households will be provided with short-term rent, mortgage, and utility payments and 565 households will be provided project or tenant-based rental assistance. (Total estimated to be served: 1,285)

##### **YEAR 2012 GOAL:**

740 households will be provided with short-term rent, mortgage, and utility payments and 580 households will be provided project or tenant-based rental assistance. (Total estimated to be served: 1,320)

##### **YEAR 2013 GOAL:**

760 households will be provided with short-term rent, mortgage, and utility payments and 595 households will be provided project or tenant-based rental assistance. (Total estimated to be served: 1,355)

##### **YEAR 2014 GOAL:**

780 households will be provided with short-term rent, mortgage, and utility payments and 610 households will be provided project or tenant-based rental assistance. (Total estimated to be served: 1,390)

## NONHOUSING COMMUNITY DEVELOPMENT STRATEGIC PLAN

The Nonhousing Community Development Plan will primarily cover activities funded under the Texas Community Development Block Grant program (Tx CDBG), administered by the Texas Department of Rural Affairs (TDRA). The Texas Community Development Block Grant program administers federal Community Development Block Grant (CDBG) funds authorized by the federal Housing and Community Development Act of 1974, as amended.

### PRIORITY NONHOUSING COMMUNITY DEVELOPMENT NEEDS

The primary beneficiaries of the Texas Community Development Block Grant program are low and moderate income persons. Very low, low, and moderate income families are defined as those earning less than 80 percent of the area median family income, as defined under the US Department of Housing and Urban Development (HUD) Section 8 Assisted Housing Program (Section 102(c)).

### GEOGRAPHIC PRIORITIES

Funds for projects under the Community Development Fund are allocated among the 24 state planning regions through a formula based on the following factors:

Funds for projects under the Community Development Fund are allocated among the 24 state planning regions based on the following:

The original CD formula is used to allocate 40 percent of the annual state CDBG allocation; and the HUD formula is used to allocate 21.71 percent of the annual state CDBG allocation.

Original CD formula (40%) factors:

- |                                     |     |
|-------------------------------------|-----|
| a. Non-Entitlement Population       | 30% |
| b. Number of Persons in Poverty     | 25% |
| c. Percentage of Poverty Persons    | 25% |
| d. Number of Unemployed Persons     | 10% |
| e. Percentage of Unemployed Persons | 10% |

To the extent possible, the information used to calculate the regional allocations through these factors will be based on the eligible nonentitlement applicants within each region. The population and poverty information used is from the current available decennial census data. The unemployment information used is the current available annual average information.

HUD formula (21.71%) the formula is the same methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs. The HUD factors, percentages, and methodology are specified in 42 U.S.C. 5306(d). The Tx CDBG will use available data to calculate the allocations to each region.

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

(A) the average of the ratios between:

## **Strategic Plan**

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### **Nonhousing Community Development**

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

OR

(B) the average of the ratios between:

- the age of housing in the nonentitlement areas in that region and the age of housing in the nonentitlement areas in all 24 regions (counted two and one half times - 50% weight);
- the extent of poverty in the nonentitlement areas in that region and the extent of poverty in the nonentitlement areas of all 24 regions (counted one and one half times - 30% weight); and
- the population of the nonentitlement areas in that region and the population of the nonentitlement areas of all 24 regions (counted one time - 20% weight).

The Tx CDBG will continue to involve the non-entitlement communities and the public in a review of the regional allocation formula through public hearings, meetings of the ORCA board, Task Forces, and input from the State Community Development Review Committee, Regional Councils of Governments, local and state government officials, and other interested parties.

**Regional Priority Set-asides: Housing and Non-Border Colonia projects** - Each Regional Review Committee (RRC) is encouraged to allocate a percentage or amount of its Community Development Fund allocation to housing projects and, for RRCs in eligible areas, non-border colonia projects proposed in and for that region. Under a set-aside, the highest ranked applications for a housing or non-border colonia activity, regardless of the position in the overall ranking, would be selected to the extent permitted by the housing or non-border colonia set-aside level. If the region allocates a percentage of its funds to housing and/or non-border colonia activities and applications conforming to the maximum and minimum amounts are not received to use the entire set-asides, the remaining funds may be used for other eligible activities. (Under a housing and/or non-border colonia set-aside process, a community would not be able to receive an award for both a housing or non-border colonia activity and an award for another Community Development activity during the biennial process. Housing projects/activities must conform to eligibility requirements in 42 U.S.C Section 5305 and applicable HUD regulations.)



Overall, funds are allocated to the following priority categories:

<b>FUND</b>	<b>2010 PERCENT</b>
Community Development Fund	61.71
Texas Capital Fund (TCF)	14.51
Colonia Fund	
Colonia Planning and Construction Fund	7.26
Colonia EDAP Legislative Set-aside	2.74
Colonia Self-Help Centers Legislative Set-aside	2.50
Planning And Capacity Building Fund	0.90
Disaster Relief/Urgent Need Fund	
Disaster Relief	4.10
Urgent Need	Deob/PI
Tx CDBG STEP Fund	3.14
Administration - Percentage (fungible)	2.28
Administration - \$100,000	0.1370
Technical Assistance (fungible)	0.72
Pilot Programs (Deobligated Funds/ Program Income):	
Renewable Energy Demonstration Pilot Program	Deob/PI

Overall, this allocation methodology has resulted in approximately 90% to 97% of overall funding benefiting low and moderate income persons. It has resulted in funding the nonhousing priority needs described below while resulting in a very high percentage of awards primarily benefiting extremely low-income, low-income and moderate income households.

## Strategic Plan

### Nonhousing Community Development

#### Nonhousing Community Development Priority Needs Summary Table

Priority Community Development Needs	Priority Need Level
	H=High, M=Medium, L=Low, N=No Such Need
PUBLIC FACILITY NEEDS	M
INFRASTRUCTURE IMPROVEMENT	H
Solid Waste Disposal Improvements	M
Drainage and Flood Control Improvements	H
Water System Improvements	H
Street and Bridge Improvements	H
Sewer System Improvements	H
PUBLIC SERVICE NEEDS	M
ECONOMIC DEVELOPMENT NEEDS	H
OTHER COMMUNITY DEVELOPMENT NEEDS	M
PLANNING	H

The Priority Needs Summary Table uses the following definitions:

- High Priority (H): Activities to address this need will be funded by the State during the five-year period.
- Medium Priority (M): If funds are available, activities to address this need may be funded by the State during the five-year period.
- Low Priority (L): The State will not fund activities to address this need during the five-year period. The State will consider certifications of consistency for other entities' applications for federal assistance.
- No Such Need (N): The State finds there is no need or the State shows that this need is already substantially addressed. No certifications of consistency will be considered.

The tables below illustrate the amount of community development fund application requests for the 2005 to 2008 CDBG program years. Requested amounts are included for water, sewer, engineering, street paving, administration, housing rehabilitation, drainage, removal of architectural barriers, acquisition demolition, community center, senior centers and fire protection. Under the Community Development Fund, each region through its Regional Review Committee, establishes its funding priority through scoring factors that reflect local prioritization of need. To be competitive, the applications submitted generally reflect the local needs as prioritized through the Regional Review Committee process and are therefore reflective of local needs. Each cycle, the Regional Review Committee has an opportunity to revise its local priorities to reflect any change in needs.

**REQUESTS FOR COMMUNITY DEVELOPMENT PROGRAM FUNDS  
FOR 2005-2008 BY ACTIVITY**

Activity	Amount Requested
Water Facilities	\$170,716,002
Sewer Facilities	\$143,577,796
Engineering/Architectural Serv.	\$47,749,391
General Administration	\$31,393,533
Street Improvements	\$28,141,655
Flood and Drainage Facilities	\$14,149,340
Planning & Urban Env. Design	\$6,625,937
Rehabilitation of Private Properties	\$4,631,774
Neighborhood Facilities / Community Centers	\$3,075,156
Acquisition - Easement	\$2,105,973
Fire Protection Facilities and Equipment	\$1,757,715
Clearance Demolition Activities	\$1,373,220
Parks, Playgrounds, and Other Recreational Facilities	\$779,683
Economic Development Loan	\$437,000
Pedestrian Malls and Walkways	\$390,000
Senior Centers	\$211,596
Other Public Utilities (Gas)	\$137,693
Removal of Architectural Barriers	\$117,800
Specially Authorized Public Facilities and Improvements	\$90,956
Code Enforcement	\$19,200
<b>Total</b>	<b>\$457,481,420</b>

## SUMMARY OF COMMUNITY DEVELOPMENT

There has been \$170,716,002 in requests for water facilities since 2005, making this the most highly requested activity from the Community Development Fund Program. Requests for sewer facilities are second with a total of \$143,577,796 in requests from 2005-2008. After water and sewer facilities, there is a significant drop in the amount of unfunded requests for other activities ranging from \$47,749,391 for engineering costs to \$19,200 for code enforcement activities. Overall, the program is able to fund approximately 66 percent of application requests. However, in a desire to continue to fund a certain percentage of applications within each region, the Regional Review Committees have held the maximum application amount constant for many years, in spite of the declining value of the dollar. This has resulted in smaller projects and therefore the amount of unfunded applications considerably underestimates community needs.

## OBSTACLES TO MEETING UNDERSERVED NEEDS IN COMMUNITY DEVELOPMENT

The most commonly cited obstacle to meeting the underserved community development needs of Texas cities is lack of sustainable grant funding that provides a large enough project to make it efficient and significant within the community. For example, there has been a considerable decline in the purchasing power of the annual HUD allocation to Texas since 1993 based on the U.S. Consumer Price Index. The 2008 allocation to Texas would need to be 1.43 times higher, or at a level of \$103 Million, to provide

## Strategic Plan

### Nonhousing Community Development

the same purchasing power that would have been possible in 1993. The actual loss of purchasing power in the construction industry is considerably greater. Construction prices increased 12% from 2001 to 2005 alone. The decline in funding, both in absolute dollars, along with rising material and labor costs, have affected the scope of the projects being awarded. Most awards within TX CDBG have remained for years at the \$250,000 to \$350,000 range. Each year, this has resulted in smaller and smaller projects being funded that do not contribute as much to the long-term viability of the smallest towns and most sparsely populated counties.

Public comment in the past has cited a lack of grassroots local citizen participation as another obstacle to meeting underserved community development needs. Lack of citizen participation is not limited to rural areas, but may be more evident due to smaller populations. Local residents do not participate in public hearings for a variety of reasons. They may fear becoming involved with “the government” or may see the funds as a “handout.” Lack of transportation is another significant barrier for many low-income individuals who may want to participate in the public hearing process. It has also been mentioned that some of their citizens do not feel comfortable speaking in a public hearing format and find the bureaucratic jargon that surrounds federal programs alienating and difficult to understand.

Another obstacle to meeting underserved needs applies to colonias projects. There have been cases when a county applies to provide water service to an area, but more than one water supply corporation or city may have a Certificate of Convenience and Necessity (CCN) in that territory (CCNs have been issued which have overlapping territories). In these cases, a dispute over which water supply corporation/city has the right to serve the territory (and therefore collect the revenues) may arise. A public hearing process may be necessary to resolve this issue, which can then delay projects for months.

## COMMUNITY DEVELOPMENT GOALS & OBJECTIVES

Refer to program specific statements outlined in the Action Plan portion of this document for strategies that will be used to accomplish the goals and objectives listed below.

The CDBG performance measures as defined by HUD for PY 2010 are shown below. The anticipated number is based on actual PY 2008 because of the assumption that overall the CDBG program funding level for PY 2010 will remain approximately equal to PY 2008.

### CDBG Performance Measures

Objectives and Outcomes	Performance Indicators	Expected Number
SL-1	Neighborhood Facilities	4
SL-1	Water/Sewer Improvements	136
SL-2	Water/Sewer Improvements	8
SL-3	Water/Sewer Improvements	71
SL-1	Street Improvements	92
SL-2	Street Improvements	3
SL-3	Street Improvements	2
SL-1	Rehabilitation; Single Unit Residential	50
DH-2	Rehabilitation; Single Unit Residential	8
DH-3	Rehabilitation; Single Unit Residential	2

Objectives and Outcomes	Performance Indicators	Expected Number
DH-2	Homeownership Assistance	1
SL-1	Parks, Playgrounds, and Other Recreational Facilities	2
SL-1	Public Service	3
SL-1	Other Public Utilities	3
EO-3	Other Public Utilities	1
SL-1	Clearance Demolition Activities	8
SL-3	Clearance Demolition Activities	1
SL-1	Fire Stations/Equipment	4
EO-1	ED Direct Financial Assistance for For-Profits	2
EO-2	ED Direct Financial Assistance for For-Profits	30

The following TDRA performance measures are additional measures established under the State of Texas performance measure system.

The following performance measures are additional measures developed by TDRA for reporting to the state.

<p><b>COMMUNITY DEVELOPMENT GOAL 1:</b>  <b>TO BETTER TEXAS COMMUNITIES BY SUPPORTING COMMUNITY AND ECONOMIC DEVELOPMENT.</b></p>
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**1.1 Proposed Accomplishments:** Maintain a competitive application process to distribute HUD federal funds that gives priority to basic human need projects (water, sewer, and housing), fund economic development projects that create or retain jobs, and provides ongoing technical assistance, monitoring and contract management to ensure that needs of persons to be served are met.

(A) Specific Accomplishment: Number New Community and Economic Development Contracts Awarded.

*Outcome/objective category: SL-2*

Specific Output	2010	2011	2012	2013	2014
	325	325	325	325	325

(B) Specific Accomplishment: Number of Projected Beneficiaries from New Contracts Awarded.

*Outcome/objective category: SL-2*

Specific Output	2010	2011	2012	2013	2014
	483,000	483,000	483,000	483,000	483,000

(C) Specific Accomplishment: Percentage of the Small Communities' Population Benefiting from Projects.

*Outcome/objective category: SL-2*

Specific Output	2010	2011	2012	2013	2014
	36%	36%	36%	36%	36%

(D) Specific Accomplishment: Number of Programmatic (CD) Monitoring Visits Conducted. *Outcome/objective category: SL-2*

Specific Output	2010	2011	2012	2013	2014
	300	300	300	300	300

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### Nonhousing Community Development

(E) Specific Accomplishment: Number of Jobs Created/Retained through Contracts Awarded Annually (TDA).

**Outcome/objective category: EO-2.**

Specific Output	2010	2011	2012	2013	2014
	981	981	981	981	981

<b>COMMUNITY DEVELOPMENT GOAL 2: TO PROVIDE TECHNICAL ASSISTANCE TO COLONIAS THROUGH FIELD OFFICES.</b>
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2.1 Specific Accomplishment: Number of Projected Beneficiaries from Self-Help Center Contracts Funded (TDHCA). **Outcome/objective category: SL-2**

Specific Output	2010	2011	2012	2013	2014
	4,700	4,700	4,700	4,700	4,700

2.2 Specific Accomplishment: Number of (CD) Single Audit Reviews Conducted Annually. **Outcome/objective category: SL-2**

Specific Output	2010	2011	2012	2013	2014
	150	150	150	150	150

## **STRATEGY TO OVERCOME REGULATORY BARRIERS TO AFFORDABLE HOUSING**

For an overview, please see the Regulatory Barriers to Affordable Housing section in Housing Market Analysis chapter.

Local governments and officials more often have a greater awareness of their local economic, demographic and housing conditions. In order to meet the needs of residents in all parts of the second largest state in the nation, the State of Texas gives local governments a great deal of power over their own lands. Please note that, as a governmental entity, the Department cannot lobby or attempt to influence the policies related to the governing of the State of Texas. However, TDHCA can and does encourage localities to implement specific regulatory reforms related to affordable housing.

The State of Texas does not implement zoning, impose impact, development fees or deed restrictions, or regulate building codes and so cannot directly affect these barriers. Nonetheless, TDHCA does act as an information resource to assist localities overcome unnecessary regulatory barriers which may increase the cost of housing. TDHCA accomplishes this as follows:

- Formation of a Housing and Health Services Council within TDHCA to pursue opportunities to create and conduct policy research on service-enriched housing for persons with disabilities and seniors.
- Continuing education programs such as the Texas Statewide Homebuyer Education Program, which provides lenders, homebuyer educators and consumers information on serving traditionally underserved populations (e.g. persons with disabilities, lower income populations).
- Continuing research on defining and eliminating or reducing both state and local policy barriers.

TDHCA also mitigates the affects of its environmental and public notice regulatory barriers propagated by TDHCA. For example, TDHCA offers environmental compliance training free of charge for organizations that receive funding through TDHCA. These trainings are conducted throughout the state. In this way, TDHCA helps local communities comply with environmental rules.

To overcome the public opposition roused by public notice of affordable housing developments, TDHCA acts as an information resource for affordable housing studies and information. The public often has misconceptions on which populations actually need affordable housing. For example, neighbors such as teachers, police officers, firefighters and nurses aids often spend more than 30 percent of their income on housing needs, creating a cost burden.<sup>60</sup> Affordable housing can allow productive members of the community to live in the same neighborhoods they serve. The public may also fear that affordable housing increases traffic, increases crime and lowers property values. In actuality, allowing people who serve the community to afford to live the same community reduces traffic by reducing the distance between where people live and where they work. Furthermore, studies have not proven a link between affordable housing and crime; factors that negatively affect crime include community disinvestment, overcrowding, lack of jobs and community services. In fact, affordable housing helps address several of these factors by allowing for community investment and alleviating overcrowding. Regarding property

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<sup>60</sup> The Campaign for Affordable Housing. (2005). The truth about affordable housing. Retrieved from <http://www.tcah.org/research.cfm>.

## **Strategic Plan**

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### ***Overcome Regulatory Barriers to Affordable Housing***

values, studies have proven that affordable housing can actually improve property values.<sup>61</sup> By educating the public on the realities of affordable housing, TDHCA believes it can overcome public opposition.

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<sup>61</sup> The Campaign for Affordable Housing. (2005) Busting the 5 myths of affordable housing. Retrieved from <http://www.tcah.org/research.cfm>.



## LEAD-BASED PAINT HAZARD MITIGATION

For the extent of the Lead-Based Paint Hazards in Texas, please see Estimated Units with Lead-Based Paint in the Housing and Homeless Needs section.

The 1992 Community and Housing Development Act included Title X, a statute that represents a major change to existing lead-based paint regulations. HUD's final regulations for Title X (24 CFR.105) were published on September 15, 1999 and became effective September 15, 2000. Title X calls for a three pronged approach to target conditions that pose a hazard to households: (1) notification of occupants about the existence of hazards so they can take proper precautions, (2) identifications of lead-based paint hazards before a child can be poisoned and, (3) control of these lead-based paint hazards in order to limit exposure to residents. Title X mandated that HUD issue "The Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" to outline risk assessments, interim controls and abatement of lead-based paint hazards in housing. Section 1018 required EPA and HUD to promulgate rules for disclosure of any known lead-based paint or hazards in target housing offered for sale or lease. These rules came into effect on March 6, 1996 in 40 CFR Part 745/24 CFR Part 35.<sup>62</sup>

Pursuant to Section 1012 and 1013, HUD promulgated new regulations, "Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance," on September 15, 1999. The new regulation puts all of HUD's lead-based paint regulations in one part of the Code of Federal Regulations. The new requirements took effect on September 15, 2000.<sup>63</sup>

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

### *HOME AND ESGP ADDRESS LEAD-BASED PAINT*

The HOME Program requires lead screening in housing built before 1978 for all HOME eligible activities and in accordance with 24 CFR Part 92.355 and 24 CFR Part 35, subparts A, B, J, K, M, and R. The HOME Program increases the awareness of the hazards of lead-based paint by requiring screening for TBRA, homebuyer assistance and homeowner rehabilitation. Furthermore, single-family and multifamily development activities in HOME increase the access to lead-based-paint-free housing because they create new housing. More HOME actions for lead-based paint are located in the Action Plan on page 208.

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<sup>62</sup> Texas Department of State Health Services. (2007, May). Texas lead rules and HUD Rehab projects. Retrieved from <http://www.dshs.state.tx.us/el/p/pdf/HUDRehabProjects.pdf>.

<sup>63</sup> Ibid

## **Strategic Plan**

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### **Lead-Based Paint**

For ESGP, TDHCA requires subrecipients to evaluate and reduce lead-based paint hazards for conversion, renovation, or rehabilitation projects funded with ESGP funds, and tracks work in these efforts as required by Chapter 58 of the Environmental Protection Act. During the annual contract implementation training, the Department will provide ESGP subrecipients with information related to lead-based paint regulations and the Department's requirements related to such. The Department will require ESGP funded subrecipients to determine if a housing unit was built prior to 1978, for households seeking ESGP funded rent or rent deposit assistance whose household has a family member(s) 6 year of age or younger. If the housing unit is built prior to 1978, the ESGP subrecipient will notify the household of the hazards of lead-based paint.

ESGP subrecipients utilizing ESGP funds for renovation, rehabilitation or conversion must comply with the Lead Based Paint Poisoning and Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Through renovation, rehabilitation or conversion, ESGP increases access to shelter without lead-based paint hazards. More ESGP actions for lead-based paint are located in the Action Plan on page 215.

### **CDBG ADDRESSES LEAD-BASED PAINT**

The Tx CDBG encourages the reduction of lead-based hazards through favorable scoring under its Community Development Funds for the replacement of lead fixtures and other lead hazards that are an imminent public health threat. The Tx CDBG program encourages regional priority set-asides for housing projects such as housing rehabilitation. Under the set-aside, the highest ranked applications for a housing activity, regardless of the position in the overall ranking, would be selected to the extent available regional funding permits. These housing rehabilitation projects lead to access to housing without lead hazards. This regional prioritization is related to the extent of lead hazards and the identified need within the region. In addition, lead-based paint mitigation is a common activity eligible under housing rehabilitation that is funded under the Colonia Planning and Construction Fund and Community Development Funds. Each contract awarded requires the sub-grantee to conform to Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)) and procedures established by the Tx CDBG in response to the Act.

In accordance with CDBG state regulations and the Lead-Based Paint Poisoning Prevention Act, Tx CDBG has adopted a policy to eliminate as far as practicable the hazards of lead poisoning due to the presence of lead-based paint in any existing housing assisted under the CDBG. In addition, this policy prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance. Abatement procedures should be included in the housing rehabilitation contract guidelines for each project and must appear in the approved work write-up documentation for all homes built prior to 1978 that will be rehabilitated, as outlined in the Housing Rehabilitation Manual.

### **HOPWA ADDRESSES LEAD-BASED PAINT**

EPA requires that Project Sponsors give all HOPWA clients utilizing homes built before 1978 the pamphlet entitled, "Protect Your Family from Lead in Your Home" during the intake process. The client's case record must include documentation that a copy of the pamphlet was given to the client.

For each HOPWA household, the case manager must certify the following:

If the structure was built prior to 1978, and there is a child under the age of six who will reside in the property, and the property has a defective paint surface inside or outside the structure, the property cannot be approved until the defective surface is repaired by at least scraping and painting the surface with two coats of non-lead based paint. Defective paint surface means: applicable surface on which paint is cracking, scaling, chipping, peeling or loose. If a child under age six residing in the HOPWA-assisted property has an Elevated Blood Lead Level, paint surfaces must be tested for lead-based paint. If lead is found present, the surface must be abated in accordance with 24 CFR Part 35.

## ANTI-POVERTY STRATEGY

### FACTORS THAT CONTRIBUTE TO POVERTY

Understanding the nature and causes of poverty helps shape the state's goals, programs and policies for reducing the number of people in poverty. For demographic analysis of poverty, see Demographic Trends in Poverty in the Housing and Homeless Needs section. As evident in the 2005-2007 American Community Survey, there is a correlation between education and poverty: the more education, the less likely people are to be under the poverty line (see Texas Annual Poverty Estimates by Educational Attainment from 2005-2007). Factors such as poor nutrition, lack of parental involvement and teen pregnancy make it difficult for those in poverty to obtain a quality education. Many also drop out of school. Without a good education, there is little hope of escaping poverty in today's competitive job market.

**Texas Annual Poverty Estimates by Educational Attainment from 2005-2007**

Poverty Estimates by Educational Attainment	Total	Below poverty level	Percent below poverty level
Population 25 years and over	14,141,984	1,782,502	12.6%
Less than high school graduate	2,963,192	815,324	27.5%
High school graduate (includes equivalency)	3,789,975	508,047	13.4%
Some college, associate's degree	3,825,536	322,379	8.4%
Bachelor's degree or higher	3,563,281	136,752	3.8%

Source: 2005-2007 American Community Survey 3-Year Estimates

According to the 2005-2007 American Community Survey, the unemployment rate of people in poverty was 31.6 percent over the three-year period (see Texas Annual Poverty Estimates by Employment Status from 2005-2007). This was 26.9 percent higher than the unemployment rate for all Texans in January 2007 which was 4.7 percent.<sup>64</sup> High unemployment leads to serious consequences for families and individuals and unemployment can severely impact a community. The ability to generate taxes and utility revenues and to incur debt is directly related to the resources that a community's citizens have. High numbers of unemployed persons form populations that hinder a community's ability to be self-sufficient. Community service agencies see large increases in the demand for emergency assistance when their service area is affected by increased unemployment.

<sup>64</sup> Texas Workforce News Release. (2007, March 8). Unemployment Rate Continues to Drop. Retrieved from <http://www.twc.state.tx.us/news/press/2007/030807epress.pdf>.

**Texas Annual Poverty Estimates by Employment Status from 2005-2007**

<b>Annual Poverty Estimates by Employment Status</b>	<b>Total</b>	<b>Below poverty level</b>	<b>Percent below poverty level</b>
<b>Civilian labor force 16 years and over</b>	<b>11,337,744</b>	<b>1,140,927</b>	<b>10.1%</b>
Employed	10,563,102	895,922	8.5%
Unemployed	774,642	245,005	31.6%

Source: 2005-2007 American Community Survey 3-Year Estimates

**THE STATE'S GOALS, PROGRAMS AND POLICIES TO REDUCE POVERTY**

TDHCA has an important role in addressing Texas poverty. The Department seeks to reduce the number of Texans living in poverty, thereby providing a better future for all Texans. This means (1) trying to provide long-term solutions to the problems facing people in poverty, (2) targeting resources to those with the greatest need and (3) coordinating assistance between service providers. The Department provides low-income persons with energy, emergency and housing assistance to meet basic necessities.

The state's housing assistance and community development focus on self-sufficiency. Certain TDHCA programs, such as Tenant-Based Rental Assistance offered through the HOME Program, require a self-sufficiency component for persons receiving assistance; rental subsidies last two to three years, after which time, clients who successfully complete the self-sufficiency component will be able to support themselves. In addition, Housing Tax Credit applicants must include supportive services that would not otherwise be available to the tenants. The self-sufficiency approach provides incentives for assisted housing residents that are willing to undertake a set of activities intended to lessen dependency. These activities are tailored to meet the needs and capabilities of each individual household and can be provided through the housing deliverer or through human service providers.

An asset development approach to addressing poverty emphasizes the use of public assistance to facilitate long-term investments rather than incremental increases in income. In housing, this can mean gaining equity through homeownership. Several TDHCA programs introduce the option of homeownership to lower-income populations: the HOME Program and Housing Trust Fund offer down payment and closing cost assistance and the Single Family Bond Program offers below-market-rate loans.

While the Department does not administer conventional educational support, it does provide assistance to community organizations that manage Headstart, job training, GED programs, Basic English instruction and other programs designed to improve the educational levels of disadvantaged persons. By providing administrative funds through Community Service Block Grants, the Department community organizations provide services that TDHCA does not provide directly.

The Texas Workforce Commission (TWC) takes the lead on increasing employment. TWC offers the Temporary Assistance for Needy Families (TANF) Employment and Training. TDHCA's Emergency Shelter Grant Program and Homeless Prevention and Rapid Re-housing Program encourage their sub-grantees to promote the participation in TANF for Texans who receive emergency assistance.

## ***Strategic Plan***

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### ***Antipoverty Strategy***

To meet the varied needs of people in poverty, the state provides multiple forums for resource coordination. For example, the Texas Health and Human Services Commission maintains Community Resource Coordination Groups. These local interagency groups are comprised of public and private providers who come together to develop individual services plans for children, youth and adults whose needs can be met only through interagency coordination and cooperation. A CRCG develops a coordinated, strengths-based agreement for coordination of services developed in partnership with the individual or family. TDHCA participates in CRCGs along with many other state partners.

### ***HOME AND ESGP'S ANTI-POVERTY STRATEGY***

Through the HOME Tenant-Based Rental Assistance Program, TDHCA assists households with rental subsidy and security and utility deposit assistance for a period not to exceed 24 months. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training, GED classes, or drug dependency classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment options and increase their economic independence and self-sufficiency. Additionally, the Department allocates funding toward the rehabilitation and construction of affordable rental housing, incentivizing units to assist very low income households and may assist very low income households along the border by promoting the conversion of contract for deed arrangements to traditional mortgages.

ESGP funds activities that provide shelter and essential services for homeless persons, as well as intervention services for persons threatened with homelessness. Essential services for homeless persons include medical and psychological counseling, employment counseling, substance abuse treatment, transportation, and other services.

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

### ***CDBG'S ANTI-POVERTY STRATEGY***

A substantial majority, 85%, of Tx CDBG funds are obligated to cities and counties under the funding competitions meeting the national objective to “principally benefit low and moderate income persons.” Tx CDBG encourages the funding of communities with a high percentage of persons in poverty through its application scoring. The CDBG projects under this national objective are required to serve 51 percent low to moderate income persons; however, for PY2010, the state scoring portion of the largest fund category, the Community Development Fund, provides for points only if it meets the national objective of benefiting low and moderate income persons. In addition, the CDBG allocation formula used to distribute Community Development funds among regions includes a variable for poverty. The percentage of persons in poverty for each region is factored into the allocation formula in order to target funding toward the greatest need.

The CDBG economic development funds have been instrumental in creating infrastructure and jobs. By creating and retaining jobs through assistance to businesses and then providing lower income people access to these jobs, Tx CDBG can be a very effective anti-poverty tool. This potential will be further maximized by providing jobs that offer workplace training and education, fringe benefits, opportunities for promotion, and services such as child care. In addition, programs that improve infrastructure affords

the opportunity to upgrade existing substandard housing (such as in the colonias) and build new affordable housing where none could exist before.

## ***Strategic Plan***

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### ***Antipoverty Strategy***

#### ***HOPWA'S ANTI-POVERTY STRATEGY***

The DSHS HOPWA Program serves HIV positive persons based on income eligibility criteria of no more than 80 percent of the area median income with adjustments for family and household size, as determined by HUD income limits. With varying poverty levels and housing needs in each HSDA across the state, some Project Sponsors may set stricter local income limits to maximize and target HOPWA resources to those with very low-income or poverty-level income. While many of the HOPWA clients assisted may be at poverty-level, this is not a requirement under 24 CFR 574.3.



## INSTITUTIONAL STRUCTURE OF AGENCIES

The Texas Department of Housing and Community Affairs, the Texas Department of Rural Affairs and the Department of State Health Services' main functions consist of the following:

***Function A.***

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

### ***TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS***

TDHCA has a number of programs that increase and preserve the availability of safe, decent and affordable housing. TDHCA's Housing Support Continuum consists of a series of phases that low-income households may experience at different times of their lives and the assistance provided through the network of TDHCA-funded service providers. The Housing Support Continuum has six phases: (1) Poverty and Homelessness Prevention, (2) Rental Assistance and Multifamily Development, (3) Homebuyer Assistance and Single-Family Development, (4) Rehabilitation and Weatherization, (5) Foreclosure Relief and (6) Disaster Recovery. While all of these phases address the increase and preservation of safe, decent and affordable housing for very low-, low- and moderate-income persons, (1) Poverty and Homeless Prevention and (4) Rehabilitation and Weatherization will be addressed in Function C.

#### ***(2) Rental Assistance and Multifamily Development***

TDHCA offers a wide range of rental assistance, from subsidizing the rent of low-income Texans in market-rate units to subsidizing developments that provide reduced rent for low-income Texans. The Section 8 Housing Choice Voucher Program, the HOME Program's Tenant-Based Rental Assistance and the Housing Trust Fund Program's Rental Assistance help low-income Texans who need rent subsidization in order to retain their housing. The HOME Program's Rental Housing Development, the Housing Trust Fund Program's Rental Development, the Housing Tax Credit Program and the Multifamily Bond Program subsidize developments that provide reduced rents for low-income Texans.

#### ***(3) Homebuyer Assistance and Single-Family Development***

After a low-income household has become self-sufficient, the household may be ready for homeownership. TDHCA works to ensure that potential homeowners understand the responsibilities of homeownership by offering homeownership education courses as well as providing financial tools to make homeownership more attainable.

To help create informed consumers, TDHCA's Colonia Self Help Centers Program and Texas Statewide Homebuyer Education Program provide homebuyer counseling through experienced homebuyer education providers.

TDHCA also offers a broad range of financial tools to help low-income Texans transition into homeownership. The HOME Program's Homebuyer Assistance and the Housing Trust Fund Program's Homebuyer Assistance programs provide down payment and closing cost assistance. The First Time Homebuyer Program has "unassisted funds" which provide below-market mortgage financing through participating lenders and "assisted funds" which provide below-market mortgage financing along with

## ***Strategic Plan***

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### ***Institutional Structure***

down payment and closing cost assistance. The Mortgage Credit Certificate Program provides tax credits that reduce the federal income taxes, dollar-for-dollar, and thus reduce monthly mortgage payment for qualified households.

Beyond down payment assistance, below-market mortgages and tax credits, TDHCA offers programs that assist in the development of housing to increase homeownership opportunities for low-income Texans. The Texas Bootstrap Loan Program promotes homeownership by providing funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing through an owner-builder model. TDHCA also works with Community Housing Development Organizations to subsidize the development of single-family housing that will be sold to low-income households. The HOME Single Family Development program offers Community Housing Development Organizations loans or grants to construct residential subdivisions, acquire and rehabilitate single-family homes and offer down payment assistance.

#### ***(5) Foreclosure Relief***

As a result of the national foreclosure crisis, TDHCA has undertaken several programs to mitigate foreclosure. TDHCA applied for and received federal funding through the National Foreclosure Mitigation Counseling program. Under this program TDHCA supplies funds to reimburse foreclosure counseling agencies for foreclosure counseling.

TDHCA also administers a Neighborhood Stabilization Program which uses federal funds to rehabilitate, resell or redevelop foreclosed or abandoned properties. This program will stabilize communities by utilizing properties that have the potential to become sources of blight.

#### ***(6) Disaster Recovery***

When natural and man-made disasters strike, low-income households are often the most dramatically affected. In an effort to reduce the recovery time, almost every department in TDHCA offers some sort of disaster assistance.

After a disaster, basic needs must be met as soon as possible. The Community Services Division offers a portion of the Community Service Block Grant funds for low-income persons who live in communities impacted by a disaster. The emergency disaster relief funds provide persons with emergency shelter, food, clothing, pharmaceutical supplies, bedding, cleaning supplies, personal hygiene items and replacement of essential appliances including stoves, refrigerators and water heaters.

Some TDHCA programs are dedicated specifically to meet the needs of communities affected by natural disasters. TDHCA's Disaster Recovery Division helps to administer two Community Development Block Grants (CDBG) Disaster Recovery Programs for Hurricanes Rita and Katrina and will help to administer one CDBG Disaster Recovery Program for Hurricanes Dolly and Ike. For households affected by natural disasters, CDBG Disaster Recovery Program funds may be used for home rehabilitation and reconstruction, reconstruction of affordable rental housing stock in the impacted areas, restoration of critical infrastructure, restoration of community facilities and economic development.

For low-income households who rent, the Housing Tax Credit Program has certain amounts allocated specifically for recovery from Hurricanes Rita, Dolly and Ike. In 2005, Housing Tax Credits were set aside for building income-qualified apartments in the Gulf Coast Opportunity Zone after Hurricane Rita. In

2008, Housing Tax Credits were reserved for low-income apartment development for the counties affected by Hurricane Ike.

To address longer-term recovery, deobligated HOME Program funds may be used for disaster relief through the HOME Program's Homeowner Rehabilitation Assistance. These funds target eligible homeowners in the repair, rehabilitation and reconstruction of their existing home affected by the natural disaster.

Although some household's may receive federal assistance after a disaster, some homeowners may still lack a small amount of funds for repair or rehabilitation. The Housing Trust Fund Program offers the Disaster Recovery Homeowner Repair Gap Financing Program to assist qualified households, who are lacking only a small portion of funding, fulfill their full cost of construction.

To strengthen the recovery efforts of communities affected by disasters, the Texas First Time Homebuyer Program offers targeted funds which are used for home loans to qualified homebuyers wishing to purchase within the 22 East Texas counties designated under the Gulf Opportunity Zone Act and the 22-county area known as the Rita Go Zone.

## **TEXAS DEPARTMENT OF RURAL AFFAIRS**

### ***Texas Community Development Block Grant Program (Texas CDBG)***

The Texas Community Development Block Grant (Tx CDBG) Program administered by the Texas Department of Rural Affairs (TDRA) assists local governments in the development of viable communities. The program provides federal grants to non-entitlement cities and counties to be used for various types of eligible public facilities, economic development, housing assistance and planning activities. Each year, Texas receives an allocation of federal Community Development Block Grant (CDBG) funds to be used primarily to assist persons of low and moderate income. These funds are distributed by TDRA to eligible cities and counties through the following funding categories to meet the diverse needs of Texas citizens.

Project management oversight occurs throughout the implementation of the funded activities. This includes monitoring the expenditure of funds to ensure timely project implementation and disbursement. Technical assistance is provided as needed throughout the contract period. Program monitoring visits are conducted at least once per contract period. The visits include financial reviews aimed at ascertaining the financial accountability of the sub-grantee.

Assistance is available in six funding categories and one pilot program under the Texas Community Development Block Grant Program as indicated below:

Funds:

1. Community Development Fund
2. Texas Capital Fund
3. Colonia Fund
  - 3a. Colonia Planning and Construction Fund
  - 3b. Colonia Economically Distressed Areas Program Legislative Set-Aside
  - 3c. Colonia Self-Help Centers Legislative Set-Aside
4. Planning and Capacity Building Fund
5. Disaster Relief/Urgent Need Fund

## **Strategic Plan**

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### ***Institutional Structure***

#### **6. Tx CDBG STEP Fund**

##### ***Pilot Program: Renewable Energy Demonstration Pilot Program***

CDBG funds are awarded to non-entitlement units of general local government thereby providing these communities with financial resources to respond to its community development needs. Such may include planning; constructing community facilities, infrastructure, and housing; and implementing economic development initiatives. Each applicant to the CDBG fund is required throughout its citizen participation process to inform local housing organizations of its intention to apply for CDBG funding through the CDBG and invite their input into the project selection process.

Tx CDBG continues to coordinate with the Texas Department of Housing and Community Affairs, the Texas Department of Agriculture, the Texas Water Development Board, Annual State Agency Meeting on Rural Issues, and the 24 Regional Councils of Governments to further its mission and target beneficiaries of CDBG funds through programs such as the Colonia Self-Help Centers, the Colonia Economically Distressed Areas Program, the Housing Tax Credit Program, and the Texas Capital Fund.

##### ***Community Development Fund***

This fund is available (primarily for public facilities and housing assistance) through a biennial competition. A competition is held in each of the 24 state planning regions and scoring of applications is shared between ORCA and Regional Review Committees. Funds for projects under the Community Development Fund are allocated among the 24 state planning regions according to a two-part formula based on population, poverty and unemployment and the HUD allocation formula. The HUD allocation formula portion uses the same methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs. The HUD factors, percentages and methodology are specified in 42 USC 5306(d).

Regional Priority Set-asides: Housing and Non-Border Colonia projects - Each Regional Review Committee (RRC) is encouraged to allocate a percentage or amount of its Community Development Fund allocation to housing projects and, for RRCs in eligible areas, non-border colonia projects proposed in and for that region.

##### ***Texas Capital Fund***

This fund is available for projects that will create or retain jobs, primarily for low to moderate income persons and for projects that will stimulate economic development in downtown areas. Responsibility for this fund is contracted to the Texas Department of Agriculture through an interagency agreement. The funds may be used for eligible activities as cited in Section 105 of Title I of the Housing and Community Development Act of 1974, as amended.

##### ***Colonia Fund***

This fund is available to eligible county applicants for projects in severely distressed unincorporated areas that meet the definition of a "colonia" under this fund. The term "colonia" means any identifiable unincorporated community that is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems and lack of decent, safe and sanitary housing; and was in existence as a colonia before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act (November 28, 1990). Except for fund categories where additional

restrictions apply, a county can only submit applications on behalf of eligible colonia areas located within 150 miles of the Texas-Mexico border region, except that any county that is part of a standard metropolitan statistical area with a population exceeding 1,000,000 is not eligible under this fund.

***Colonia Planning and Construction Fund***

The allocation is distributed on a biennial basis through a competition in the first year of the biennial cycle. Funding priority is given to applications from localities that have been funded through the Texas Water Development Board Economically Distressed Areas Program (EDAP) for Tx CDBG projects which provide assistance to colonia residents who cannot afford the cost of service lines, service connections and plumbing improvements associated with access to the Texas Water Development Board EDAP-funded water or sewer system. The fund generally funds water, wastewater, septic systems, and housing rehabilitation.

A portion of the funds will be allocated to two separate biennial competitions for applications that include planning activities targeted to selected colonia areas – (Colonia Area Planning activities), and for applications that include countywide comprehensive planning activities (Colonia Comprehensive Planning activities). Applications received by the 2009 program year application deadline are eligible to receive a grant award from the 2009 and 2010 program year allocations.

In order to qualify for the Colonia Area Planning activities, the county applicant must have a Colonia Comprehensive Plan in place that prioritizes problems and colonias for future action. The targeted colonia must be included in the Colonia Comprehensive Plan.

***Colonia Economically Distressed Areas Program (EDAP) Legislative Set-Aside***

The allocation is distributed on an as-needed basis. Eligible applicants are counties, and nonentitlement cities located in those counties, that are eligible under the Tx CDBG Colonia Fund, including meeting the geographic requirements, and Texas Water Development Board's Economically Distressed Areas Program (TWDB EDAP). Eligible projects shall be located in unincorporated colonias; in colonias located in eligible nonentitlement cities that annexed the colonia and the application for improvements in the colonia is submitted within five (5) years from the effective date of the annexation; or in colonias located in eligible nonentitlement cities where the city is in the process of annexing the colonia where the improvements are to be made.

Eligible applicants may submit an application that will provide assistance to colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB EDAP-funded water and sewer system improvement project. An application cannot be submitted until the construction of the TWDB EDAP-funded water or sewer system begins.

Eligible program costs include water distribution lines and sewer collection lines providing connection to water and sewer lines installed through the Texas Water Development Board's Economically Distressed Areas Program (when approved by the Tx CDBG), taps and meters (when approved by the Tx CDBG), yard service lines, service connections, plumbing improvements, and connection fees, and other eligible approved costs associated with connecting an income-eligible family's housing unit to the TWDB improvements.

## ***Strategic Plan***

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### ***Institutional Structure***

An applicant may not have an existing CEDAP contract open in excess of 48 months and still be eligible for a new CEDAP award.

### ***Colonia Self-Help Centers Legislative Set-Aside***

In accordance with Subchapter Z, Chapter 2306, Government Code, and Title 10, Texas Administrative Code, Part 1, Chapter 3, TDHCA has established self-help centers in Cameron County, El Paso County, Hidalgo County, Starr County, and Webb County. If deemed necessary and appropriate, TDHCA may establish self-help centers in other counties (self-help centers have been established in Maverick County and Val Verde County) as long as the site is located in a county that is designated as an economically distressed area under the Texas Water Development Board Economically Distressed Areas Program (EDAP), the county is eligible to receive EDAP funds, and the colonias served by the center are located within 150 miles of the Texas-Mexico border.

### ***Planning and Capacity Building Fund***

This fund is available on a biennial basis to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs). All planning projects awarded under this fund must include a section in the final planning document that addresses drought-related water supply contingency plans and water conservation plans.

### ***Disaster Relief and Urgent Fund***

Disaster Relief assistance is available through this fund as needed for eligible activities in relief of disaster situations where either the Governor has proclaimed a state disaster declaration or the President has issued a federal disaster declaration. Tx CDBG may prioritize throughout the program year the use of Disaster Relief assistance funds based on the type of assistance or activity under consideration and may allocate funding throughout the program year based on assistance categories. Depending on the nature and extent of the damage caused by the natural disaster, priority for the use of Tx CDBG funds is the restoration of basic human needs such as water and sewer facilities, housing, and roads.

Urgent Need assistance is contingent upon the availability of funds for activities that will restore water or sewer infrastructure whose sudden failure has resulted in death, illness, injury, or pose an imminent threat to life or health within the affected applicant's jurisdiction. The infrastructure failure must not be the result of a lack of maintenance and must be unforeseeable. As an initial step, Tx CDBG undertakes an assessment of whether the situation is reasonably considered unforeseeable. An application for Urgent Need assistance will not be accepted by the Tx CDBG until discussions between the potential applicant and representatives of the Tx CDBG, the Texas Commission on Environmental Quality (TCEQ), and the Texas Water Development Board (TWDB) have taken place. Through these discussions, a determination shall be made whether the situation meets Tx CDBG Urgent Need threshold criteria; whether shared financing is possible; whether financing for the necessary improvements is, or is not, available from the TWDB; or that the potential applicant does, or does not, qualify for TWDB assistance. If Tx CDBG funds are still available, a potential applicant that meets these requirements will be invited to submit an application for Urgent Need funds.

### **STEP Fund**

Funds will be available for grants on a competitive award basis to cities and counties to provide grant assistance to cities and communities recognizing the need and willingness to solve water and sewer problems through the Texas Small Towns Environment Program (STEP) self-help techniques. The program will accept applications two times a year and utilize a competitive process to evaluate, score and award these projects.

Cities and counties receiving 2009 and 2010 Community Development Fund grant awards for applications that did not include water, sewer, or housing activities are not eligible to receive a 2010 STEP Fund grant award. However, the TxCDBG will give consideration to a city's or county's request to transfer funds (that are not financing basic human needs activities such as water, sewer, or housing activities) under a 2009 or 2010 Community Development Fund grant award to finance water and sewer activities that will be addressed through self-help.

The Texas STEP approach to solving water and sewer needs recognizes affordability factors related to the construction and operations/maintenance of the necessary water or sewer improvements and then initiates a local focus of control based on the capacity and readiness of the community's residents to solve the problem through self-help. By utilizing the community's own resources (human, material and financial), the necessary water or sewer construction costs, engineering costs, and related administration costs can be reduced significantly from the cost for the installation of the same improvements through conventional construction methods.

### **Pilot Program - Renewable Energy Demonstration Pilot Program**

The Tx CDBG has developed a renewable energy pilot program funded solely through deobligated funds/program income for demonstration projects that employ renewable energy for at least 20% of the total energy requirements, (excluding the purchase of energy from the electric grid that was produced with renewable energy).

The priority is for projects that are connected with providing public facilities to meet basic human needs such as water or waste water. Most projects funded will meet the National Objective of benefiting a "target area" where at least 51 percent of the residents are low and moderate income persons, although a project would be allowed to qualify under other National Objective alternatives.

### **TEXAS DEPARTMENT OF STATE HEALTH SERVICES**

The Texas Department of State Health Services (DSHS) addresses the issue of housing assistance for AIDS patients through the Housing Opportunities for Persons with AIDS (HOPWA) Program. The DSHS HOPWA Program provides two activities: emergency assistance and rental assistance. The Emergency Assistance Program provides short-term rent, mortgage and utility payments to prevent homelessness of the tenant or mortgagor of a dwelling. This program enables low income individuals at risk of becoming homeless to remain in their current residences for a period not to exceed 21 weeks in any 52-week period. The Rental Assistance Program provides tenant-based rental assistance, including assistance for shared housing arrangements. It enables low income clients to pay their rent and utilities until there is no longer a need, or until they are able to secure other housing

## **Strategic Plan**

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### *Institutional Structure*

DSHS contracts with eight Administrative Agencies, which contract directly with the Project Sponsors serving all 26 HSDAs in the state to administer the HOPWA program. The AAs also administer the delivery of a range of other HIV health and social services, including the Ryan White grant and State HIV Services funds. This structure ensures the coordination of all agencies serving people with HIV/AIDS, avoids duplication, saves dollars, and provides the best possible coordination of services for people with HIV/AIDS in each local community. HOPWA program information is made available to all HIV service agencies in the HSDA and a referral network is established for potential clients. DSHS HOPWA clients are linked through their case managers to a comprehensive network of medical care and supportive services for persons living with HIV/AIDS and their families, consisting of 64 local providers across the state. HOPWA Project Sponsors collaborate locally with these providers to ensure that clients receive the services they need to begin treatment and remain in care. Additionally, Project Sponsors collaborate with local housing authorities in their areas to assure that HOPWA clients are referred to the housing programs and services that best fit their needs and circumstances. Most notable is collaboration of Project Sponsors with local Housing Choice Voucher programs.

#### ***Function B.***

***Promote improved housing conditions for extremely low, very low and low-income households by providing information and technical assistance.***

### **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

One of the main charges of the Department of Policy and Public Affairs and the Housing Resource Center is to provide information and technical assistance. The Department of Policy and Public Affairs disseminates information and is a liaison between TDHCA and industry stakeholders, advocacy groups and the executive and legislative branches of state and Federal government. The Housing Resource Center acts as a central clearinghouse for information regarding TDHCA programs and general housing-related issues.

While every division at TDHCA that administers programs also offers information and technical assistance to its sub-recipients, the Office of Colonia Initiatives (OCI) has specific programs aimed at promoting improved housing conditions. OCI oversees three Border Field Offices (BFOs) located in Edinburg, El Paso and Laredo that serve a 75-county area with a primary purpose to provide technical assistance to colonia residents and communities along the Texas-Mexico border region. Each BFO is responsible for marketing Department programs and services to colonia and border residents and networking with local governments, state and federal agencies, nonprofits and private organizations. In addition, OCI oversees the Colonia Self-Help Centers (SHCs) in Cameron/Willacy, El Paso, Hidalgo, Starr and Webb counties and any other county if designated as an economically distressed area. Colonia SHCs have also been established in Maverick and Val Verde counties. Colonia SHCs provide concentrated onsite technical assistance to low- and very low-income individuals and families regarding housing and community development activities, infrastructure improvements and outreach and education. OCI manages a toll-free hotline, 1-800-462-4251, in both English and Spanish that allows colonia residents to voice concerns and/or request information.



***TDRA OUTREACH SERVICES***

TDRA staff perform educational activities regarding agency-related programs and services. Training is provided primarily through scheduled workshops and visits to rural cities and counties eligible for TDRA CDBG funding to assist communities in providing essential public infrastructure, housing, and economic development services and with resolving financial, social and environmental problems in their communities. Additionally, TDRA staff provide technical assistance to constituents with general information requests. Additional information is furnished in response to telephone and written requests and through the preparation and distribution of publications. TDRA uses staff located in both its regional field offices and headquarters office to provide this information and technical assistance.

***Function C.***

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

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

Two phases of TDHCA's Housing Support Continuum improve living conditions for the poor and homeless and reduce the cost of home energy for low-income Texans. They are as follows:

***(1) Poverty and Homelessness Prevention***

For Texans who struggle with poverty or are currently homeless, TDHCA offers several programs that provide essential services to assist with basic necessities. The Community Services Block Grant Program provides essential services such as child care, health and human services, job training, farmworker assistance, nutrition services and emergency assistance that may prevent poverty. To assist low-income Texans who may have a residence but struggle to pay energy costs associated with housing, the Comprehensive Energy Assistance Program provides utility subsidies and education. The Emergency Shelter Grants Program funds homeless shelter development or preservation and emergency rental assistance.

***(4) Rehabilitation and Weatherization***

In the course of homeownership, there may come a time when substantial rehabilitation or reconstruction needs to take place. The HOME Program's Owner-Occupied Housing Assistance and the Housing Trust Fund Program's Rehabilitation Assistance provide loans or grants for the repair or reconstruction of a low-income homeowner's existing home.

Furthermore, low-income Texans may need weatherization services to help control energy costs and thus keep the home affordable, whether they rent or own. TDHCA offers the Weatherization Assistance Program which allocates funding regionally to help households control energy costs through the installation of storm windows, attic and wall insulation, weather-stripping and sealing and energy consumption education.

***Function D.***

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

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

***Compliance and Asset Oversight Division***

The Compliance and Asset Oversight Division ensures housing program compliance and financial compliance with federal and state regulatory mandates through established oversight and monitoring procedures. On-site monitoring visits and desk reviews are mechanisms used for in-depth investigation and overall assessment, respectively.

***Subrecipients of Federal Funds***

Subrecipients of federal funds are monitored for compliance with contractual, single audit; OMB circular; and financial requirements. In-depth financial monitoring and technical assistance occur to improve program responsibility, financial accountability; and fiscal responsibility. In addition, financial reviews are conducted through team monitoring visits when necessary and may be conducted upon the request of and in concert with other TDHCA divisions.

***Multifamily and Single Family Rental Properties***

Multifamily and single family rental properties are monitored for long-term compliance with all program requirements, including rent caps, income limits and property condition. Training programs, owner consultation and written guidelines are among the strategies used to promote compliance.

Procedures used by the Department are explained more fully under the Monitoring Section of the Consolidated Plan.

***Function E.***

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

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

***Manufactured Housing Division***

The Manufactured Housing Division administers, regulates, and enforces the Texas Manufactured Housing Standards Act (Tex. Occ. Code, Chapter 1201). This act imposes certain standards on the construction and installation of manufactured housing; requires occupational licensing of manufactured home manufacturers, retailers, installers, brokers, rebuilders and salespersons; and provides fair and effective consumer remedies. The US Department of Housing and Urban Development (HUD) approved the Manufactured Housing Division to act as a State Administrative Agency (SAA) in accordance with the National Manufactured Home Construction and Safety Standards Act of 1974. As an SAA, the Manufactured Housing Division monitors home manufacturers for compliance with HUD regulations for notifications and corrections concerning nonconformance and defects in manufactured homes. Routinely, the division personnel conduct the following inspections and investigations: installation inspections at homeowner sites to verify that the anchoring and support systems meet standards and that the sections of the home have been joined properly; record/file reviews of consumer complaints at manufacturing plants; consumer complaint inspections at home sites; and inspections of homes at retailer locations to check for transit damage, label tampering and general retailer performance and compliance.

In addition to enforcement and consumer protection, the division also issues statements of ownership and location (previously known as titles), maintaining records indicating who owns a home, where it is located, whether the owner has elected to treat the home as personal property or real property and, whether there are any liens on the home. The division maintains the State master database for all such information on manufactured homes, including all records related to tax liens and responds to requests for information from license holders and the general public. The division resolves consumer complaints

## ***Strategic Plan***

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### ***Institutional Structure***

through informal and formal means and provides for the administration of the Texas Manufactured Homeowners' Recovery Trust Fund.”

## **GAPS IN SERVICE**

Identified gaps in service for TDHCA include recent changes in organizational structure and communication of the need for affordable housing and the Department's accomplishments. Some of the key obstacles include the lack of financial resources, lack of public trust, limited staff resources and limited data capability. Strengths or opportunities for improvement include reorganization to better manage increased funding, improved accountability and communication, training and cross-training opportunities and technological improvements.

### ***INSUFFICIENT FINANCIAL RESOURCES***

Before the additional funding was made available through the American Recovery and Reinvestment Act of 2009, TDHCA was able to reach one percent of those in need with approximately \$474 million in yearly funding available. TDHCA may receive up to \$1,016.5 million in Recovery Act funds for a three-year period starting in 2009. Even if TDHCA were able to double the percentage served, given Texas' size in population and geography, the additional funding still does not meet a majority of the percentage of those in need. While TDHCA works to receive results for its investments in the public good, no amount of efficiency will overcome this lack of funding.

### ***LACK OF PUBLIC TRUST***

Texas is famous for its independent nature. As such, Texans can often be distrustful of government assistance. As a result, those needing assistance may not follow through with receiving assistance because of reporting or loan requirements. In addition, public opposition may arise to affordable housing development because of distrust in management and oversight of the properties.

### ***STAFF RESOURCES***

While TDHCA is receiving more than double its funding amount through the Recovery Act, TDHCA will only increase its staff size by approximately twenty-five percent. In addition, the Department's sub-recipients must also add a large amount of staff in a short period of time to adjust for additional funding available through the Recovery Act. New staff must receive training or, at a minimum, learn procedures specific to government. Because the Recovery Act funds must be spent or obligated within three years, TDHCA and its sub-recipients are working to find qualified staff available for a three-year period.

### ***DATA COLLECTION***

Since the creation of TDHCA in 1991, Department programs have maintained data in separate databases. Since that time, data compilation has been a main obstacle to effective agency operations. TDHCA's 15-plus programs' varying reporting requirements, report formats and data storage methods have made performance reporting and analysis difficult.

## **ACTIONS TO OVERCOME SERVICE GAPS**

### ***REORGANIZATION***

Partly as an effort to best manage additional funding made available through the American Recovery and Reinvestment Act of 2009, TDHCA added a new key position: Deputy Executive Director for Community Based Programs. This Deputy Executive Director oversees many of the divisions which have new programs created through the Recovery Act, such as the Homeless Prevention and Rapid Re-housing Program. In addition, the Department also created a Recovery Act Project Manager position to help the Department with oversight of Recovery Act funds. Because some divisions have now been moved under the Deputy Executive Director of Community Based Programs, TDHCA underwent a general reorganization which will better define responsibilities and increase accountability.

### ***IMPROVED ACCOUNTABILITY AND COMMUNICATION***

To address public distrust, TDHCA works to improve relationships with external entities. With the new management of Recovery Act funds, TDHCA will add a level of transparency and increase its reporting requirements, showing the effectiveness of its programs. The Department strives to be responsive to the Legislature and the public at large. Furthermore, as affordable housing becomes a more pressing issue, the Department believes that we can be an information resource to help local communities identify and address their specific needs.

### ***TRAINING AND CROSS-TRAINING OPPORTUNITIES***

Increased funding leads to increased work for existing staff and a need for new staff. TDHCA makes every effort to offer training opportunities to its employees. This includes training offered through other government agencies, such as the State Office of Risk Management and the Comptroller, as well as tuition reimbursement for classes related to duties at work. Furthermore, TDHCA also offers cross-training, a chance for employees to learn the responsibilities of another position at the Department. Cross-training allows for greater flexibility in staff positions as well as providing back up assistance when staff is called out of the office. While this does not address the shortage of staff available, it helps existing and new staff be more efficient and effective in their positions.

For sub-recipients, the Department offers technical assistance and training with every contract awarded. Moreover, TDHCA is developing training tracks for certain programs. For instance, to prepare for the increased funding for the Weatherization Assistance Program, TDHCA is working with a contractor to create a Training Academy that specializes in teaching weatherization techniques and management.

### ***TECHNOLOGICAL IMPROVEMENTS***

The Information Systems Division has made significant progress in the development of a central database, which will provide a single means of access, reporting and data consolidation. For several programs, sub-recipients now are able to report directly into the central database. While this feature is not yet available for all programs, it has increased the efficiency of the reporting process. The end

result will be one source for all information and data reporting needs. The new data warehouse will provide increased usability, data sharing and most importantly data integrity.

## **COORDINATION OF HOUSING AND SERVICES**

Understanding that no single entity will be able to address the enormous needs of the state of Texas, TDHCA, TDRA and DSHS support the formation of partnerships in the provision of housing, housing-related and community development endeavors. The departments work with many housing and community development partners including consumer groups, community-based organizations, neighborhood associations, community development corporations, community housing development organizations, community action agencies, real estate developers, social service providers, local lenders, investor-owned electric utilities, local government, nonprofits, faith-based organizations, property managers, state and local elected officials and other state and federal agencies.

There are many benefits to these partnerships. Risk and commitment are shared. The principle of reciprocity requires that local communities demonstrate an awareness of their needs and a willingness to participate actively in solving problems, therefore local communities play an active role in tailoring the project to their needs. Partners are able to concentrate specifically on their area of expertise. Finally, a greater variety of resources insure a well targeted more affordable product.

### ***FAIR HOUSING COORDINATION***

Through program requirements and compliance monitoring, TDHCA works to ensure that housing programs benefit individuals without regard to race, color, religion, sex, disability, familial status or national origin. Complaints involving all forms of housing discrimination are also referred to the Texas Workforce Commission Human Rights Division, which oversees the Texas Fair Housing Act. TDHCA addresses fair housing by complying with the Texas Fair Housing Act in TDHCA administered programs and coordinate fair housing efforts with the Human Rights Division of the Texas Workforce Commission, which was created under the Texas Fair Housing Act to directly address public grievances related to fair housing.

### ***PERSONS WITH DISABILITIES COORDINATION***

The Promoting Independence Advisory Committee (PIAC) assists the Health and Human Services Commission in creating the State's response to the Olmstead decision through the biannual Promoting Independence Plan. This plan highlights the State's efforts to assist individuals who are desirous of community placement, appropriate for community placement as determined by the state's treatment professionals and do not constitute a fundamental alteration in the state's services. TDHCA participates in PIAC meetings and is a member of the Housing subcommittee.

TDHCA has found that directly involving program beneficiary representatives, community advocates and potential applicants for funding in the process of crafting its policies and rules is extremely helpful. This process is often done through a working group format. The working groups provide an opportunity for staff to interact with various program stakeholders in a more informal environment than that provided by the formal public comment process. TDHCA has actively maintained a Disability Advisory Workgroup which provides ongoing guidance to the Executive Director on how TDHCA's programs can most effectively serve persons with disabilities.



The Department is creating a Housing Health Services Council (HHSC) within the Housing Resource Center to address issues related to Olmstead v. L. C. The HHSC will conduct research and identify funding opportunities to create service-enriched housing for persons with disabilities and seniors.

### ***PERSONS WITH HIV/AIDS COORDINATION***

DSHS addresses the housing needs of AIDS patients through HOPWA. In Texas, HOPWA funds provide emergency housing assistance, which funds short-term rent, mortgage and utility payments to prevent homelessness; and tenant-based rental assistance, which enables low-income individuals to pay rent and utilities until there is no longer a need. In addition to the DSHS statewide program, the cities of Austin, Dallas, Fort Worth, Houston and San Antonio receive HOPWA funds directly from HUD.

The Housing Tax Credit (HTC) Program addresses the needs of people with HIV/AIDS. According to the 2009 Housing Tax Credit Program Qualified Allocation Plan (QAP), HTC offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, such as people with AIDS/HIV.

### ***HOMELESS POPULATIONS COORDINATION***

The first phase of TDHCA's Housing Support Continuum outlined in the Institutional Structure of Agencies section is (1) Poverty and Homelessness Prevention which includes the Community Services Block Grant Program, the Comprehensive Energy Assistance Program and the Emergency Shelter Grant Program, all programs that address or prevent homelessness.

While the HTC Program is well-known and primarily used for the construction, acquisition and/or rehabilitation of new, existing, at-risk and rural rental housing, the HTC Program can also be used to develop transitional housing and permanent supportive housing for homeless populations. Furthermore, according to the 2009 Housing Tax Credit Program QAP, HTC offers additional points during the award process for developments that propose to set aside 10 percent of the units for persons with special needs, such as people who are homeless.

In addition, the Housing Trust Fund may develop or rehabilitate transitional housing and permanent supportive housing for homeless populations. While acquisition, rehabilitation and new construction are eligible activities under the program's Rule, this activity may not occur each year.

### ***Texas Interagency Council for the Homeless***

The Texas Interagency Council for the Homeless (TICH) was created in 1989 to coordinate the State's homeless resources and services. TICH consists of representatives from all state agencies that serve the homeless. The council receives no funding and has no full-time staff, but receives clerical and advisory support from TDHCA. The council holds public hearings in various parts of the state to gather information useful to its members in administering programs. The Council's major mandates include:

- evaluating and helping coordinate the delivery of services for the homeless in Texas;
- increasing the flow of information among service providers and appropriate authorities;
- providing technical assistance to TDHCA in assessing the need for housing for people with special needs;

## **Strategic Plan**

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### **Coordination of Housing and Services**

- developing, in coordination with TDHCA and the Health and Human Services Commission, a strategic plan to address the needs of the homeless; and
- maintaining a central resource and information center for the homeless.

### ***Within Reach: Solutions to Homelessness in Texas***

In the winter of 2009, the Department will release a publication entitled *Within Reach: Solutions to Homelessness in Texas*. The draft publication discusses the coordination of state and local resources to prevent and address homelessness. A summary of this publication can be found on page 131 in the State Overview of Homeless Solutions above.

### ***ESGP Address Homeless Populations***

TDHCA collaborates with the Texas Homeless Network (THN) to build the capacity of homeless coalitions across the State of Texas, enabling them to become more effective in the communities they serve.

The Department also provided funds through THN to support technical assistance workshops for the HUD Continuum of Care homeless application. The purpose of the workshops was to assist communities in creating a network of services to the homeless population.

## **COORDINATION AMONG STATE AND UNITS OF LOCAL GOVERNMENT**

The state agencies are primarily funding entities whose chief function is to distribute program funds to local conduit providers that include units of local government, nonprofit and for profit organizations, community-based organizations, private sector organizations, real estate developers and local lenders. Because the agencies do not fund individuals directly, coordination with outside entities is key to the success of its programs.

## HOUSING TAX CREDIT USE

The Housing Tax Credit Program was created by the Tax Reform Act of 1986, and was first utilized by the real estate development community during calendar year 1987. Section 42 of the Internal Revenue Code of 1986, as amended (the Code), is the federal law that governs the HTC program. It authorizes tax credits in the amount of \$2.00 per capita for each state. In Texas, this amount currently equates to an annual award of approximately \$47,800,000 in tax credits. The Department is the only entity in the state of Texas with the authority to allocate tax credits under this program. The HTC Program provides for the construction or renovation of approximately 12,000 units of affordable multifamily housing annually throughout Texas.

The credit amount for which a development may be eligible depends on the total amount of depreciable capital improvements, the percentage of units set aside for qualified tenants and the funding sources available to finance the total development cost. Pursuant to the Code, a low-income housing development qualifies for residential rental occupancy if it meets one of the following two criteria: (1) 20 percent or more of the residential units in the development are both rent-restricted and occupied by individuals whose income is 50 percent or less of AMFI; or (2) 40 percent or more of the residential units in the development are both rent-restricted and occupied by individuals whose income is 60 percent or less of AMFI. Typically, 60 to 100 percent of a development's units will be set aside for qualified tenants in order to maximize the amount of tax credits the development may claim.

Pursuant to Section 42 of the Code, the Department must develop a plan for the selection of eligible projects based on broad guidelines designed to provide housing for the low-income tenants. This plan is known as the Qualified Allocation Plan and Rules (QAP). Applications are received by the Department and evaluated under this plan at least once a year. It is the goal of TDHCA to encourage diversity through broad geographic allocation of tax credits within the state, and to promote maximum utilization of the available tax credit amount. The criteria utilized to realize this goal includes a point based scoring system referred to as the "Selection Criteria" and an evaluation of each application's

- financial feasibility,
- quantifiable community participation or written statements of support or opposition,
- income levels of the tenants,
- size and quality of the units in the development,
- commitment of development funds by local political subdivisions,
- level of community support from state elected officials,
- rent levels of the units,
- cost of the development by square foot,
- services provided to the tenants of the development,
- other criteria that furthers the achievement of the Department's mission.

Applications deemed to have a high priority based on the review criteria, are subject to an underwriting review that evaluates the development's projected construction costs and financial feasibility. Applications that pass the underwriting process and are determined to have the highest priority will be presented to TDHCA's Board of Directors for consideration.

## ***Action Plans***

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The Department's Qualified Allocation Plan also sets forth a minimum set of threshold requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, appropriate zoning for the site, and a market and environmental study.

Pursuant to federal statute, the Department is required to allocate at least 10 percent of the housing credit ceiling to qualified nonprofit organizations.

## Action Plans

### § 91.320 Action plan.

The action plan must include the following:

- (a) Standard Form 424;
- (b) A concise executive summary that includes the objectives and outcomes identified in the plan as well as an evaluation of past performance, a summary of the citizen participation and consultation process (including efforts to broaden public participation) (24 CFR 91.300 (b)), a summary of comments or views, and a summary of comments or views not accepted and the reasons therefore (24 CFR 91.115 (b)(5)).
- (c) Resources and objectives—
  - (1) Federal resources. The consolidated plan must provide a concise summary of the federal resources expected to be made available. These resources include grant funds and program income.
  - (2) Other resources. The consolidated plan must indicate resources from private and non-federal public sources that are reasonably expected to be made available to address the needs identified in the plan. The plan must explain how federal funds will leverage those additional resources, including a description of how matching requirements of the HUD programs will be satisfied. Where the state deems it appropriate, it may indicate publicly owned land or property located within the state that may be used to carry out the purposes identified in the plan;
  - (3) Annual objectives. The consolidated plan must contain a summary of the annual objectives the state expects to achieve during the forthcoming program year.
- (d) Activities. A description of the state's method for distributing funds to local governments and nonprofit organizations to carry out activities, or the activities to be undertaken by the state, using funds that are expected to be received under formula allocations (and related program income) and other HUD assistance during the program year, the reasons for the allocation priorities, how the proposed distribution of funds will address the priority needs and specific objectives described in the consolidated plan, and any obstacles to addressing underserved needs.
- (e) Outcome measures. Each state must provide outcome measures for activities included in its action plan in accordance with guidance issued by HUD. For the CDBG program, this would include activities that are likely to be funded as a result of the implementation of the state's method of distribution.
- (f) Geographic distribution. A description of the geographic areas of the State (including areas of low-income and minority concentration) in which it will direct assistance during the ensuing program year, giving the rationale for the priorities for allocating investment geographically. When appropriate, the state should estimate the percentage of funds they plan to dedicate to target area(s).
- (g) Affordable housing goals. The state must specify one-year goals for the number of households to be provided affordable housing through activities that provide rental assistance, production of new units, rehabilitation of existing units, or acquisition of existing units using funds made available to the state, and one-year goals for the number of homeless, non-homeless, and special-needs households to be provided affordable housing using funds made available to the state. The term affordable housing shall be as defined in 24 CFR 92.252 for rental housing and 24 CFR 92.254 for homeownership.
- (h) Homeless and other special needs activities. Activities it plans to undertake during the next year to address emergency shelter and transitional housing needs of homeless individuals and families (including subpopulations), to prevent low-income individuals and families with children (especially those with incomes below 30 percent of median) from becoming homeless, to help homeless persons make the transition to permanent housing and independent living, specific action steps to end chronic homelessness, and to address the special needs of persons who are not homeless identified in accordance with Sec. 91.315(e);
- (i) Barriers to affordable housing. Actions it plans to take during the next year to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing.

## Action Plans

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Such policies, procedures, and processes include but are not limited to: land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment.

(j) Other actions. Actions it plans to take during the next year to implement its strategic plan and address obstacles to meeting underserved needs, foster and maintain affordable housing (including the coordination of Low-Income Housing Tax Credits with the development of affordable housing), evaluate and reduce lead-based paint hazards, reduce the number of poverty level families, develop institutional structure, enhance coordination between public and private housing and social service agencies, address the needs of public housing (including providing financial or other assistance to troubled public housing agencies), and encourage public housing residents to become more involved in management and participate in homeownership.

(k) Program-specific requirements. In addition, the plan must include the following specific information:

(1) CDBG. The action plan must set forth the state's method of distribution.

(i) The method of distribution shall contain a description of all criteria used to select applications from local governments for funding, including the relative importance of the criteria, where applicable. The action plan must include a description of how all CDBG resources will be allocated among funding categories and the threshold factors and grant size limits that are to be applied. The method of distribution must provide sufficient information so that units of general local government will be able to understand and comment on it, understand what criteria and information their application will be judged, and be able to prepare responsive applications. The method of distribution may provide a summary of the selection criteria, provided that all criteria are summarized and the details are set forth in application manuals or other official state publications that are widely distributed to eligible applicants. HUD may monitor the method of distribution as part of its audit and review responsibilities, as provided in Sec. 570.493(a)(1), in order to determine compliance with program requirements.

(ii) If the state intends to help nonentitlement units of general local government apply for guaranteed loan funds under 24 CFR part 570, subpart M, it must describe available guarantee amounts and how applications will be selected for assistance. If a state elects to allow units of general local government to carry out community revitalization strategies, the method of distribution shall reflect the state's process and criteria for approving local government's revitalization strategies.

(2) HOME.

(i) The state shall describe other forms of investment that are not described in 24 CFR 92.205(b).

(ii) If the state intends to use HOME funds for homebuyers, it must state the guidelines for resale or recapture, as required in 24 CFR 92.254.

(iii) If the state intends to use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under 24 CFR 92.206(b). The guidelines shall describe the conditions under which the state will refinance existing debt. At minimum, the guidelines must:

(A) Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.

(B) Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.

(C) State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.

(D) Specify the required period of affordability, whether it is the minimum 15 years or longer.

(E) Specify whether the investment of HOME funds may be state-wide or limited to a specific geographic area, such as a community identified in a neighborhood revitalization strategy under 24 CFR 91.315(g), or a federally designated Empowerment Zone or Enterprise Community.

(F) State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including the CDBG program.

(iv) If the state will receive funding under the American Dream Downpayment Initiative (ADDI) (see 24 CFR part 92, subpart M), it must include:

(A) A description of the planned use of the ADDI funds;

(B) A plan for conducting targeted outreach to residents and tenants of public and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide downpayment assistance for such residents, tenants, and families; and

(C) A description of the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

(3) **ESG.** The state shall identify the process for awarding grants to state recipients and a description of how the state intends to make its allocation available to units of local government and nonprofit organizations (including community and faith-based organizations).

(4) **HOPWA.** For HOPWA funds, the state must specify one-year goals for the number of households to be provided housing through the use of HOPWA activities for short-term rent; mortgage and utility assistance payments to prevent homelessness of the individual or family; tenant-based rental assistance; and units provided in housing facilities that are being developed, leased or operated with HOPWA funds, and shall identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations).

[71 FR 6969, Feb. 9, 2006]

## **FORM APPLICATIONS: STANDARD FORM 424**



**APPLICATION FOR FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

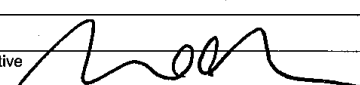
Version 7/03

<b>1. TYPE OF SUBMISSION:</b> Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		<b>2. DATE SUBMITTED</b>	Applicant Identifier
<input type="checkbox"/> Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
		<b>4. DATE RECEIVED BY FEDERAL AGENCY</b>	Federal Identifier
<b>5. APPLICANT INFORMATION</b>			
Legal Name: State of Texas		Organizational Unit: Department: Texas Department of Rural Affairs	
Organizational DUNS: 13-705-3125		Division: Community Development	
Address: Street: 1700 North Congress Avenue, Suite 220		Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: Mr.	
City: Austin		First Name: Charles (Charlie)	
County: Travis		Middle Name: S.	
State: Texas		Last Name: Stone	
Zip Code: 78701		Suffix:	
Country: USA		Email: charlie.stone@tdra.state.tx.us	
<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> [7][4]-[3][0][2][4][5][3][3]		Phone Number (give area code) 512-936-6704	Fax Number (give area code) 512-936-6776
<b>8. TYPE OF APPLICATION:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>		<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) State Other (specify)	
<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> TITLE (Name of Program): Texas Community Development Block Grant Program		<b>9. NAME OF FEDERAL AGENCY:</b> Department of Housing and Urban Development	
<b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b> statewide		<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> Texas Community Development Block Grant Program	
<b>13. PROPOSED PROJECT</b> Start Date: 02/01/2010		<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant State of Texas	
Ending Date: 01/31/2011		b. Project statewide	
<b>15. ESTIMATED FUNDING:</b>		<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b>	
a. Federal	\$ 73,017,739 <sup>00</sup>	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON	
b. Applicant	\$ <sup>00</sup>	DATE:	
c. State	\$ <sup>00</sup>	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
d. Local	\$ <sup>00</sup>	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
e. Other	\$ <sup>00</sup>	<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b>	
f. Program Income	\$ 2,500,000 <sup>00</sup>	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input type="checkbox"/> No	
g. TOTAL	\$ 75,517,739 <sup>00</sup>		
<b>18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.</b>			
a. Authorized Representative			
Prefix Mr.	First Name Charles (Charlie)	Middle Name S.	
Last Name Stone		Suffix	
b. Title Executive Director		c. Telephone Number (give area code) 512-936-6704	
d. Signature of Authorized Representative <i>Charles Stone</i>		e. Date Signed 11/17/09	

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**APPLICATION FOR FEDERAL ASSISTANCE**

<b>1. TYPE OF SUBMISSION:</b> Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		Pre-application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction	<b>2. DATE SUBMITTED</b>	Applicant Identifier DUNS# 806781902
			<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
			<b>4. DATE RECEIVED BY FEDERAL AGENCY</b>	Federal Identifier
<b>5. APPLICANT INFORMATION</b>				
Legal Name: State of Texas			Organizational Unit: Department: Texas Department of Housing and Community Affairs	
Organizational DUNS: 806781902			Division: Community Affairs Division	
Address: Street: PO Box 13941			Name and telephone number of person to be contacted on matters involving this application (give area code)	
City: Austin			Prefix: Mr.	First Name: Stuart
County: Travis			Middle Name	
State: TX			Last Name Campbell	
Zip Code 78711			Suffix:	
Country: USA			Email: stuart.campbell@tdhca.state.tx.us	
<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> 774-2610542			Phone Number (give area code) 512-475-3850	Fax Number (give area code) 512-475-3539
<b>8. TYPE OF APPLICATION:</b> <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>			<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) A Other (specify)	
<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> TITLE (Name of Program): Emergency Shelter Grant Program <b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b> Statewide			<b>9. NAME OF FEDERAL AGENCY:</b> US Department of Housing and Urban Development	
<b>13. PROPOSED PROJECT</b> Start Date: 2/1/2010 Ending Date: 1/31/2011			<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> Emergency Shelter Grant Program	
<b>15. ESTIMATED FUNDING:</b>			<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant Statewide b. Project Statewide	
a. Federal	\$	5,288,867 <sup>00</sup>	<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b> a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
b. Applicant	\$	<sup>00</sup>		
c. State	\$	<sup>00</sup>		
d. Local	\$	<sup>00</sup>		
e. Other	\$	<sup>00</sup>		
f. Program Income	\$	<sup>00</sup>		
g. TOTAL	\$	5,288,867 <sup>00</sup>	<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b> <input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
<b>18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.</b>				
<b>a. Authorized Representative</b>				
Prefix Mr.	First Name Michael		Middle Name	
Last Name Gerber			Suffix	
b. Title Executive Director			c. Telephone Number (give area code) 512-475-3930	
d. Signature of Authorized Representative 			e. Date Signed	

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**APPLICATION FOR FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

<b>1. TYPE OF SUBMISSION:</b> Application <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	<b>2. DATE SUBMITTED</b>	Applicant Identifier DUNS# 806781902
<b>5. APPLICANT INFORMATION</b> Legal Name: State of Texas		<b>Organizational Unit:</b> Department: Texas Department of Housing & Community Affairs		
Organizational DUNS: 806781902		Division: HOME Program Division		
<b>Address:</b> Street: 221 East 11th Street		<b>Name and telephone number of person to be contacted on matters involving this application (give area code)</b>		
City: Austin		Prefix: Ms.	First Name: Jeannie	
County: Travis		Middle Name		
State: TX		Last Name Arellano		
Zip Code 78701	Suffix:			
Country: United States		Email: jeannie.arellano@tdhca.state.tx.us		
<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> 74-2610542		Phone Number (give area code) (512) 463-6164	Fax Number (give area code) (512) 475-0220	
<b>8. TYPE OF APPLICATION:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)		<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) State Other (specify)		
<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> TITLE (Name of Program): HOME Investment Partnerships Program		<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> HOME Investment Partnerships Program		
<b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b> Statewide		<b>9. NAME OF FEDERAL AGENCY:</b> US Department of Housing & Urban Development		
<b>13. PROPOSED PROJECT</b> Start Date: 2-01-2010		<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant Statewide		
Ending Date: 01-31-2011		b. Project Statewide		
<b>15. ESTIMATED FUNDING:</b>		<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b>		
a. Federal	\$ 40,000,000 <sup>00</sup>	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON		
b. Applicant	\$ <sup>00</sup>	DATE:		
c. State	\$ <sup>00</sup>	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372		
d. Local	\$ <sup>00</sup>	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
e. Other	\$ <sup>00</sup>	<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b>		
f. Program Income	\$ 3,000,000 <sup>00</sup>	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
g. TOTAL	\$ 43,000,000 <sup>00</sup>			
<b>18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.</b>				
<b>a. Authorized Representative</b>				
Prefix Mr.	First Name Michael		Middle Name	
Last Name Gerber		Suffix		
b. Title Executive Director		c. Telephone Number (give area code) (512) 475- 3930		
d. Signature of Authorized Representative 		e. Date Signed		

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**APPLICATION FOR FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

<b>1. TYPE OF SUBMISSION:</b> Application		<b>2. DATE SUBMITTED</b> 12/4/09	Applicant Identifier 1614-01-AP-01
<input type="checkbox"/> Construction	<input type="checkbox"/> Pre-application	<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
<input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction	<b>4. DATE RECEIVED BY FEDERAL AGENCY</b>	Federal Identifier
<input type="checkbox"/> Non-Construction	<input type="checkbox"/> Non-Construction		
<b>5. APPLICANT INFORMATION</b>			
Legal Name: Department of State Health Services		Organizational Unit: Department: TX Department of State Health Services	
Organizational DUNS: 80-739-1511		Division: Prevention and Preparedness Services	
<b>Address:</b> Street: Physical: Prevention and Preparedness Division, MC 1927, 1100 W. 49th St. Mailing: Prevention & Preparedness Division, MC 1927, P.O. Box 149347		<b>Name and telephone number of person to be contacted on matters involving this application (give area code)</b>	
City: Austin	Country: United States	Prefix: Ms.	First Name: Janna
County: Travis	State: Texas	Middle Name	
Zip Code Physical: 78756-3199 Mailing: 78714-9347		Last Name Zumbrun	
		Suffix:	
		Email: janna.zumbrun@dshs.state.tx.us	
<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> 3 2 - 0 1 1 3 6 4 3		Phone Number (give area code) 512-458-7200	Fax Number (give area code) 512-458-7393
<b>8. TYPE OF APPLICATION:</b> <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)		<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) A. State Government Other (specify)	
<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> TITLE (Name of Program): <i>Housing Opportunities for Persons w/AIDS (HOPWA)</i> 1 4 - 2 4 1		<b>9. NAME OF FEDERAL AGENCY:</b> U.S. Department of Housing and Urban Development	
<b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b> statewide		<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> Provide tenant-based rental assistance, short-term mortgage and utilities assistance, supportive services and permanent housing placement services to eligible persons and families living with HIV/AIDS.	
<b>13. PROPOSED PROJECT</b> Start Date: 02/01/10		<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant TX-010	
Ending Date: 01/31/11		b. Project TX-ALL	
<b>15. ESTIMATED FUNDING:</b>		<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b>	
a. Federal	\$ 2,625,853 <sup>00</sup>	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON	
b. Applicant	\$ 0 <sup>00</sup>	DATE:	
c. State	\$ 0 <sup>00</sup>	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
d. Local	\$ 0 <sup>00</sup>	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
e. Other	\$ 0 <sup>00</sup>	<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b>	
f. Program Income	\$ 0 <sup>00</sup>	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
g. TOTAL	\$ 2,625,853 <sup>00</sup>		
<b>18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.</b>			
a. Authorized Representative			
Prefix Dr.	First Name Adolfo	Middle Name M.	Suffix MD, MPH
Last Name Valadez	b. Title Assistant Commissioner, Prevention and Preparedness		c. Telephone Number (give area code) 512-458-7229
d. Signature of Authorized Representative		e. Date Signed 12/4/2009	

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The 2010 One-Year Action Plan illustrates the combined actions of the Texas Department of Housing and Community Affairs (TDHCA), Texas Department of Rural Affairs (TDRA), and Department of State Health Services (DSHS), referred to collectively as the State. The One-Year Action Plan reports on the intended use of funds received by the State of Texas from the US Department of Housing and Urban Development (HUD) for Program Year (PY) 2010. The 2010 PY begins on February 1, 2010 and ends on January 31, 2011. The performance report on PY 2009 funds will be available in May 2010.

One-Year Action Plan consists of the following sections:

- **Summary.** Provides a detailed synopsis of the One-Year Action Plan.
- **General Information.** A description of the State’s plan to undertake other activities that fulfill requirements of §91.320 (i) and (j).
- **Action Plans.** Program-specific plans for HOME, ESGP, CDBG, and HOPWA illustrating funding guidelines and fund allocations as required under 24 CFR §91.320 (g).

## OBJECTIVES AND OUTCOMES

The 2010 One-Year Action Plan:

1. Reports on the intended use of funds received by the State of Texas from the US Department of Housing and Urban Development (HUD) for Program Year (PY) 2010
2. Explains the State’s method for distributing CDBG, ESG, HOME, and HOPWA program funds
3. Provides opportunity for public input on the development of the annual plan

The State’s progress in achieving the goals put forth in the One-Year Action Plan will be measured according to HUD guidelines (24 CFR 91.520) and outlined in the 2009 Annual Performance Report.

In accordance with the guidelines from HUD, the State complies with the new CPD Outcome Performance Measurement System. Program activities are categorized into the objectives and outcomes listed in the chart below.

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

## Action Plans

The objectives and outcomes as they apply to each of the four programs are listed below. The performance figures are based on planned performance during the Program Year (February 1st through January 31st) of contracts committed and projected households to be served. In contrast, the performance measures reported to the Texas Legislative Budget Board for the State Fiscal Year (September 1st through August 31st) are based on anticipated units and households at time of award.

### HOME Program Performance Measures

Outcomes and Objectives	Performance Indicators	Expected Number
DH-2	Rental units assisted through new construction and rehabilitation	233
DH-2	Tenant-based rental assistance units	310
DH-2	Existing homeowners assisted through owner-occupied assistance	194
DH-2	First-time homeowners assisted through homebuyer assistance	305

### ESGP Performance Measures

Outcomes and Objectives	Performance Indicators	Expected Number
SL-1	Provide funding to support the provision of emergency and/or transitional shelter to homeless persons.	28,000
DH-2	The provision of non-residential services including homelessness prevention assistance.	72,000

### CDBG Performance Measures

Objectives and Outcomes	Performance Indicators	Expected Number
SL-1	Neighborhood Facilities	4
SL-1	Water/Sewer Improvements	148
SL-2	Water/Sewer Improvements	9
SL-3	Water/Sewer Improvements	77
SL-1	Street Improvements	100
SL-2	Street Improvements	3
SL-3	Street Improvements	2
SL-1	Rehabilitation; Single Unit Residential	54
DH-2	Rehabilitation; Single Unit Residential	9
DH-3	Rehabilitation; Single Unit Residential	2
DH-2	Homeownership Assistance	1
SL-1	Parks, Playgrounds, and Other Recreational Facilities	2
SL-1	Public Service	3
SL-1	Other Public Utilities	3
EO-3	Other Public Utilities	1
SL-1	Clearance Demolition Activities	9
SL-3	Clearance Demolition Activities	1
SL-1	Fire Stations/Equipment	4
EO-1	ED Direct Financial Assistance for For-Profits	2
EO-2	ED Direct Financial Assistance for For-Profits	33

**HOPWA Performance Measures**

Outcomes and Objectives	Performance Indicators	Expected Number
DH-2	TBRA housing assistance	550
DH-2	STRMU housing assistance	700
DH-2	Supportive Services (restricted to case mgt., smoke detectors, and phone service)	1250
DH-1	Permanent Housing Placement (security deposits, application fees, credit checks)	20

**EVALUATION OF PAST PERFORMANCE**

The HOME Program committed \$31,867,373 with 1,302 total beneficiaries reported in PY 2008 (February 1, 2008, through January 31, 2009). Distribution of the funds by activity is described in the table below.

**HOME Funds Committed, PY 2008**

Activity	Amount
Homeownership Assistance (all activities)	\$4,076,177
Homeowner Rehabilitation	\$17,880,532
Tenant Based Rental Assistance	\$2,388,020
CHDO Rental Development	\$3,750,573
CHDO Operating Expenses	\$75,000
Rental Housing Development	\$3,697,071
<b>Total</b>	<b>\$31,867,373</b>

ESGP funds received for PY 2008 were awarded in May 2008. The State ESGP contracts using PY 2008 funds began on September 1, 2008, and will end August 31, 2009, corresponding with the Texas State Fiscal Year (FY). For PY 2008, ESGP committed \$5,695,510 through 78 grants, including shared administrative funds.

**PY 2008 ESGP Fund Expenditures by Activity**  
*(FY'07 2/1/08-8/31/08 and FY'08 9/1/08-1/31/09)*

Activity	Funding Amount	Percentage
Rehabilitation	\$6,520	.11%
Maintenance, Operations	\$2,395,121	42.05%
Essential Services	\$1,299,178	22.82%
Homeless Prevention	\$1,644,858	28.88%
Operations Administration	\$331,615	5.82%
Administration shared w/local govts	\$18,218	.32%
<b>Total Funds Committed</b>	<b>\$5,695,510</b>	

*\*Includes ESG expenditures from two contract periods, FY 2007 and FY 2008*

## Action Plans

During Program Year 2008, the Texas CDBG Program committed a total of \$86,831,666 through 328 awarded contracts. For contracts that were awarded in PY 2008, 858,021 persons received service. Distribution of the funds by activity is described in the table below.

***CDBG Funds Committed, PY 2008***

<b>Fund</b>	<b>Program Description</b>	<b>2008 Total Obligation</b>
Community Development	Provides grants on a competitive basis to address public facility and housing needs such as sewer, water system, road, and drainage improvements.	\$30,555,382
Community Development Supplemental Fund	Allocates additional funds among the 24 state planning regions using a different allocation formula. Same application and purposes as the Community Development Fund.	16,421,690
Texas Capital Fund	Provides financing for projects that create and retain jobs primarily for low- and moderate-income persons.	7,982,650
Colonia Construction Fund	Provides grants for colonia projects; primarily water, sewer and housing.	5,270,000
Colonia EDAP Fund	Provides grants for colonias for the cost of service lines, service connections, and plumbing improvements associated with being connected to a Texas Water Development Board's (TWDB) Economically Distressed Areas Program (EDAP)-funded water and sewer system improvement project.	1,905,000
Colonia Planning Fund	Colonia Area Planning Fund – provides grants for preliminary surveys and site engineering, provides assistance towards the cost of architectural services, mortgage commitments, legal services, and obtaining construction loans. Colonia Comprehensive Planning Fund - provides assistance that is used to conduct a complete inventory of the colonias that includes demographic, housing, public facilities, public services, and land use statistics.	155,000
Colonia Self-Help Centers	Provides grant funds for the operation of seven Self-Help Centers in colonias.	3,600,000
Non-Border Colonia	This fund is available on a biennial basis to eligible county applicants for primarily water and sewer projects in severely distressed unincorporated areas located farther than 150 miles from the Texas-Mexico border and within non-entitlement counties.	728,403
Planning / Capacity Building	Provides grants on a competitive basis to communities for planning activities that address public facility and housing needs.	654,920
Disaster Relief/ Urgent Need	Provides grants to communities on an as-needed basis for recovery from disasters such as floods or tornadoes and Urgent water and sewer needs of recent origin that are unanticipated and pose a serious public safety or health hazard.	14,343,789
STEP Fund	Provides grants to cities and counties for solving water and sewer problems with a self-help approach that requires local participation through donated labor and materials.	3,526,118



Fund	Program Description	2008 Total Obligation
Renewable Energy Demonstration Pilot Program	Provides grants to cities and counties for demonstration projects that employ renewable energy for at least 20% of the total energy requirements, (excluding the purchase of energy from the electric grid that was produced with renewable energy). The priority will be for projects that are connected with providing public facilities to meet basic human needs such as water or waste water.	988,714
Rural Health Pilot Project	Pilot program to provide access to health cares services.	500,000
Micro-Enterprise Loan Fund	Provides a tool for rural communities to assist their very small businesses (5 or fewer employees) access capital.	200,000
<b>Total</b>		<b>\$86,831,666</b>

The HOPWA Program expended \$2,887,535 with 2,341 beneficiaries of housing assistance reported in PY 2008. Funds were used toward tenant-based rental assistance and emergency assistance to prevent homelessness of low-income persons with HIV/AIDS. Distribution of the funds by activity is described in the table below.

#### HOPWA Program Expenditures, PY 2008

Activity	Amount
Expenditures for Housing Information Services	\$0
Expenditures for Resource Identification	\$0
Expenditures for Housing Assistance (equals the sum of all sites and scattered-site Housing Assistance)	\$2,337,316
Expenditures for Supportive Services	\$352,420
Grantee Administrative Costs expended	\$46,419
Project Sponsor(s) Administrative Costs expended	\$151,380
<b>Total of HOPWA funds expended during period</b>	<b>\$2,887,535</b>

## CONSULTATION AND PUBLIC PARTICIPATION

The Action Plan will be made available for public comment from September 18, 2009, through October 26, 2009 in the Consolidated Plan. Public comment and public participation is detailed in the Citizen Participation Plan in the Consolidated Plan.

## GENERAL INFORMATION

The following section outlines the State's strategies in regard to eight categories of required actions. These categories include Available Resources, Meeting Underserved Needs, Monitoring, and Lead-Based Paint Initiatives.

### AVAILABLE RESOURCES

The Plan must describe the Federal resources expected to be available to address the priority needs and specific objectives identified in the strategic plan, in accordance with §91.315. Descriptions of the funding amounts for the specific HUD programs covered by this Plan are provided in each program's Action Plan section. The Plan must also describe resources from private and non-federal public sources that are reasonably expected to be made available to address the needs identified in the plan. The Plan must explain how Federal funds will leverage those additional resources, including a description of how matching requirements of the HUD programs will be satisfied. A description of the match requirements of the HUD programs covered by this Plan are provided in each program's Action Plan section.

### HOME PROGRAM

For the HOME Program, Section 2306.111(d) of the Texas Government Code requires that TDHCA use a Regional Allocation Formula (RAF) to allocate its HOME funding. This RAF objectively measures the affordable housing need and available resources in 13 State Service Regions TDHCA uses for planning purposes. To mitigate any inherent inequities in the way these resources are regionally allocated, the RAF compares each region's level of need to its level of resources. Regional funding adjustments are made based on the results of this comparison. The following available resources were determined to have been available or distributed in FY 2009 in the areas eligible for TDHCA HOME funds.

Source	Funding Level
Texas Housing Trust Fund	\$3,234,693
Housing Opportunities for Persons with HIV/AIDS	\$605,200
HUD PHA Capital Funds	\$36,680,590
HUD Housing Choice Vouchers (Sec. 8)	\$134,241,243
USDA Multifamily Development	\$11,578,985
USDA Rental Assistance	\$31,783,102
Housing Tax Credits	\$198,542,440
TXBRB Multifamily Tax Exempt Bond	\$10,230,000
Housing Tax Credits w/ MF Tax Exempt Bond	\$8,269,640
USDA Owner Occupied	\$28,870,179
TXBRB Single Family Bond	\$54,341,886
HUD HOME Investment Partnerships Program	\$63,826,792
Total	\$582,204,750

TDHCA expects similar funding levels for FY 2010 to serve priority needs in the state of Texas. The private funds available for priority needs may include loans or grant programs through private banks, for-profit or nonprofit organizations; this source of funding varies from year to year.

### ***HOPWA***

Leveraged funds are absolutely essential for the provision of HOPWA program administration and supportive services for HOPWA clients in the state of Texas. DSHS, AAs, and Project Sponsors expect to continue to receive leveraged funds from federal, state, local, and private resources to administer the HOPWA program and to achieve established program objectives for 2010. Based on leveraged funds received in 2008, DSHS estimates \$205,879 of federal and state funds to provide administration at the state level; \$270,179 in leveraged funds at the Administrative Agency level; and \$46,387 at the Project Sponsor level. In 2007, Project Sponsors also reported \$119,441 was leveraged for housing assistance and \$904,083 for supportive services. DSHS anticipates similar levels of leveraged resources for 2010.

### ***OTHER PROGRAMS***

TDHCA is required by State law to publish a Program Guide that outlines state and federal housing and housing-related programs available in Texas. The guide describes all TDHCA programs and includes housing-related programs from other state and federal agencies. This detailed document is organized by activity area and then by administering entity. For each specific program, contact information at the appropriate agency is provided. The 120-plus page document is updated annually and is currently available on line at <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm> or in hard copy upon request.

### ***MEETING UNDERSERVED NEEDS***

See the Affordable Housing Obstacles to Serving Underserved Needs section, the Anti-Poverty Strategy section and the Public Housing section in the Strategic Plan.

### ***LEAD-BASED PAINT HAZARD MITIGATION***

Please see Lead-Based Paint Hazard Mitigation in the Strategic Plan for actions taken by the state to evaluate and reduce lead-based paint hazards and how lead-based paint hazard reduction will be integrated into housing policies and programs.

## Action Plans

### HOME

## HOUSING ACTION PLAN: HOME INVESTMENT PARTNERSHIPS PROGRAM

### FEDERAL RESOURCES EXPECTED PY 2010

The purpose of the HOME Investment Partnerships (HOME) Program is to expand the supply of decent, safe, and affordable housing for extremely low, very low, and low income households, and to alleviate the problems of excessive rent burdens, homelessness, and deteriorating housing stock. HOME strives to meet both the short-term goals of increasing the supply and the availability of affordable housing. TDHCA provides technical assistance through application and implementation workshops to all recipients of HOME funds to ensure that all participants meet and follow the state implementation guidelines and federal regulations.

The State of Texas HOME Program anticipates receiving \$43,593,825 in HOME allocated funds and \$3,000,000 in multifamily and single-family program income for a total of \$46,593,825 estimated funding available for distribution.

### ALLOCATION OF PY 2010 FUNDS

TDHCA will use the following method for allocating funds and may make adjustments throughout the program year to transfer funding from an undersubscribed activity or set-aside to an activity that may be experiencing higher demand with the Board's approval:

Use of Funds	Estimated Available Funding	% of Total HOME Allocation
Administration Funds (10% of Allocation) *	\$4,359,382	10%
CHDO Project Funds Set Aside (15% of Allocation)	\$6,539,074	15%
CHDO Operating Expenses Set Aside (5% of CHDO Set Aside) *	\$326,954	1%
State Mandated Funds for Contract for Deed Conversions *	\$2,000,000	5%
Housing Programs for Persons with Disabilities (5% of Allocation) *	\$2,179,691	5%
Rental Housing Development Program	\$5,000,000	11%
General Funds for Single Family Activities	\$23,188,724	53.2%
Total PY 2010 HOME Allocation	\$43,593,825	100%
Estimated Program Income (to be included with Multifamily Activities)	\$2,000,000	—
Estimated Program Income for Single Family Rehabilitation & Refinance Pilot Program	\$1,000,000	—
Total Estimated Funding Available for Distribution	\$46,592,825	—

\* The funding for these activities is not subject to the Regional Allocation Formula.

The following targets will be used to distribute General Funds for Single Family Activities:

Activity	Funding Amount	% of Available Funding
Homeownership Assistance	\$3,478,309	15%
Homeownership Rehabilitation	\$16,232,106	70%
Tenant Based Rental Assistance	\$3,478,309	15%
Total Estimated Funding Available for Distribution	\$23,188,724	100.0%

## ESTIMATED PY 2010 BENEFICIARIES

Based on anticipated program activities TDHCA estimates that the number of PY 2010 beneficiaries assisted will be approximately 1,042 low-, very low-, or extremely low-income households. On the basis of historical performance, TDHCA estimates that approximately 50 percent of those households will be minority households.

## DEFINITIONS

**Basic Access Standards** (as required by §2306.514, Texas Government Code): These requirements apply only to newly-constructed single family housing.

(1) at least one entrance door, whether located at the front, side, or back of the building:

- (A) is on an accessible route served by a ramp or no-step entrance; and
- (B) has at least a standard 36-inch door;

(2) on the first floor of the building:

- (A) each interior door is at least a standard 32-inch door, unless the door provides access only to a closet of less than 15 square feet in area;
- (B) each hallway has a width of at least 36 inches and is level, with ramped or beveled changes at each door threshold;
- (C) each bathroom wall is reinforced for potential installation of grab bars;
- (D) each electrical panel, light switch, or thermostat is not higher than 48 inches above the floor; and
- (E) each electrical plug or other receptacle is at least 15 inches above the floor; and

(3) if the applicable building code or codes do not prescribe another location for the breaker boxes, each breaker box is located not higher than 48 inches above the floor inside the building on the first floor.

## **Action Plans**

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### **HOME**

A person who builds single family affordable housing to which this section applies may obtain a waiver from TDHCA of the requirement described by Subsection (a)(1)(A) if the cost of grading the terrain to meet the requirement is prohibitively expensive.

**Colonia:** As defined in §2306.581, Texas Government Code:

(1) "Colonia" means a geographic area that is located in a county some part of which is within 150 miles of the international border of this state, that consists of 11 or more dwellings that are located in close proximity to each other in an area that may be described as a community or neighborhood, and that:

(A) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under Section 17.921, Water Code; or

(B) has the physical and economic characteristics of a colonia, as determined by the department.

**Persons with Disabilities:** A household composed of one or more persons, at least one of whom has a disability. A person is considered to have a disability if the person has a physical, mental, or emotional impairment that

- is expected to be of long-continued and indefinite duration,
- substantially impedes his or her ability to live independently, and
- is of such a nature that such ability could be improved by more suitable housing conditions.

A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability and as further defined at 24 CFR §92.2.

**Special Needs Populations:** Includes the following: persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, the elderly, victims of domestic violence, persons living in colonias, the homeless, and migrant farmworkers.

### **Eligible Applicants**

- Units of General Local Government
- Nonprofit and For-Profit Organizations
- Community Housing Development Organizations (CHDOs)
- Public Housing Authorities (PHAs)
- Eligible Service Areas

Per Section 2306.111(c), TDHCA shall expend 95 percent of HOME funds for the benefit of non-PJ areas of the state. Five percent of HOME funds shall be expended for the benefit of persons with disabilities who live in any area of the state.

## DESCRIPTION OF ACTIVITIES

### *HOMEOWNER REHABILITATION*

Rehabilitation or reconstruction cost assistance is provided to eligible homeowners for rehabilitation or reconstruction of their existing home. The home must be the principal residence of the homeowner.

Pursuant to 24 CFR §92.251, housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code for new construction, newly constructed single family housing must meet the International Residential Code (IRC) as currently required by State statute. In the absence of a local code for rehabilitation, the single family housing must meet the rehabilitation standards established by the Department. If a home is newly constructed or reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.514, Texas Government Code, required for any applicants utilizing federal or state funds administered by TDHCA in the construction of single family housing.

The available funding for this activity is approximately \$16.2 million, which may only be used in non-PJs. The Department may set-aside a portion of these funds during the 2010 program year as a pilot program for a loan program reservation system. In addition, the Department may set-aside \$1 million of estimated program income toward a pilot program that would allow the refinance of existing debt for single-family, owner-occupied housing, when rehabilitation to correct substandard conditions is the primary use of the HOME funds.

### *Tenant-Based Rental Assistance*

According to CHAS data from HUD and projections based on HISTA data, approximately 1,992,596 households in Texas have a housing cost burden of greater than 30 percent of their gross income. Rental subsidy and security and utility deposit assistance is provided to tenants, in accordance with written tenant selection policies, for a period not to exceed 24 months. Rental units must be inspected prior to occupancy and must comply with Housing Quality Standards (HQS) in 24 CFR §982.401.

The available funding for this activity is approximately \$3.4 million, which may only be used in non-PJs. This amount does not include any for Persons with Disabilities TBRA funding that may be issued under a separate NOFA.

### *HOMEOWNERSHIP ASSISTANCE WITH OR WITHOUT REHABILITATION*

Down payment, closing cost, rehabilitation, and contract for deed conversion assistance may be provided to homebuyers for the acquisition of affordable single family housing. This activity may also be used for the following:

- Construction costs associated with architectural barrier removal in assisting homebuyers with disabilities by modifying a home purchased with HOME assistance to meet their accessibility needs.
- Acquisition and rehabilitation costs associated with contract for deed conversions to serve colonia residents.

## ***Action Plans***

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### ***HOME***

- Construction costs associated with the rehabilitation of a home purchased with HOME assistance.
- Acquisition or new construction costs for the replacement of manufactured housing.

Eligible homebuyers may receive assistance in the form of a loan. The maximum amount of the homebuyer assistance cannot exceed HUD's 221(d)(3) limits per unit and is further restricted in the Department's HOME Program Rule or the NOFA when funds are made available. HBA loans are required to be repaid at the time of resale of the property, refinance of the first lien, repayment of the first lien, or if the unit ceases to be the assisted homebuyer's principal residence. If any of these occur before the end of the loan term, the amount of recapture will be based on the pro-rata share of the remaining loan term and the shared net proceeds in the event of sale of the housing unit.

Pursuant to 24 CFR §92.251, housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code for new construction, newly constructed single family housing must meet the International Residential Code (IRC) as currently required by State statute. In the absence of a local code for rehabilitation, the single family housing must meet the rehabilitation standards established by the Department. If a home is newly constructed or reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.514, Texas Government Code. Housing units that are provided assistance for acquisition only must meet all applicable state and local housing quality standards and code requirements. In the absence of such standards and requirements, the housing units must meet the Housing Quality Standards (HQS) in 24 CFR §982.401.

The available funding for this activity is approximately \$3.4 million, which may only be used in non-PJs. This amount does not include Persons with Disabilities HBA funding, which may be issued under a separate NOFA. Additionally, the Department may set-aside a portion of these funds during the 2010 program year as a pilot program for a loan program reservation system.

### ***RENTAL HOUSING DEVELOPMENT***

Awards for eligible applicants are to be used for the acquisition, construction, and rehabilitation of affordable multifamily rental housing.

TDHCA will not provide funding for the refinancing and/or acquisition of affordable housing developments that were constructed within the past 5 years. Eligible applicants include nonprofit organizations, CHDOs, units of general local government, for-profit entities, sole proprietors, and public housing authorities.

Owners are required to make housing units available to low, very low, and extremely low income families and must meet long-term rent restrictions. A standard underwriting review will be performed on applications under this activity. TDHCA generally make awards in form of a loan, however grants may be recommended to and approved by TDHCA's Board based on the underwriting review. Owners of rental units assisted with HOME funds must meet affirmative marketing requirements as delineated in their Affirmative Marketing Plan (HUD Form 935.2 or successor) at time of application and must comply with affirmative marketing requirements as delineated in the Department's Compliance Rules. Owners of rental units assisted with HOME funds also must comply with initial and long-term income restrictions



and keep the units affordable for a minimum period. Housing assisted with HOME funds must, upon completion, meet all applicable local, state, and federal construction standards and building codes. Additionally, the owner and/or all future owners of a HOME-assisted rental project must maintain all units in full compliance with local, state, and federal housing codes, which include, but are not limited to, the Uniform Physical Condition Standards (UPCS) as developed by the Real Estate Assessment Center (REAC), the International Building Code, Texas Government Code, and Section 504 of the 1973 Rehabilitation Act for the full required period of affordability.

The use of HOME Rental Housing Development funds will be limited to those allowable under 24 CFR Part 92. Eligible expenses and activities may further be limited by TDHCA in accordance with state legislation. Rental Housing Development funds may also be used for the acquisition and/or rehabilitation (including barrier removal activities) for the preservation of existing affordable or subsidized rental housing. Additionally, TDHCA will ensure that all multifamily rental housing developments are built and managed in accordance with its Integrated Housing Rule.

Approximately \$7 million, including an estimated \$2 million in Program Income, is available for Rental Housing Development Funding for these activities may only be used in non-PJs. This amount does not include the Persons with Disabilities Rental Development Program funding which may be issued under a separate NOFA.

#### ***ADMINISTRATIVE EXPENSES***

Up to 10 percent of the sum of the Program Year HOME basic formula allocation and program income may be set aside for HOME Administrative expenses. Typically, up to 4 percent of the Administrative Expenses Set-Aside may be provided to applicants receiving HOME funds for the cost of administering the program. TDHCA may allow a higher percentage of the Administrative Expenses Set-Aside for some applicants based on the activity being performed. For-profit organizations are not eligible to receive administrative funds. TDHCA will retain the remaining 6 percent of the Administrative Expenses Set-Aside to cover the internal cost of administering the statewide program. TDHCA may utilize these funds for construction and Section 504 inspection costs as needed.

#### ***CHDO SET-ASIDE***

A minimum of 15 percent of the annual HOME allocation, approximately \$6.5 million (plus \$326,954 in operating expenses) is reserved for CHDOs. CHDO set-aside projects are owned, developed, or sponsored by the CHDO, and result in the development of rental units or homeownership. Development includes projects that have a construction component, either in the form of new construction or the rehabilitation of existing units. If the CHDO owns the project in partnership, it or its wholly-owned for-profit or nonprofit subsidiary must be the managing general partner. These organizations can apply for multifamily rental housing acquisition, rehabilitation, or new construction, as well as for the acquisition, rehabilitation, or new construction of single family housing. CHDOs can also apply for homebuyer assistance if their organization is the owner or developer of the single family housing project. These funds may only be used in non-PJs.

Once awarded, a CHDO development must remain controlled by a certified CHDO for the entire affordability term.

## ***Action Plans***

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### ***HOME***

In accordance with 24 CFR 92.208, up to 5 percent of the State's CHDO Set-Aside may be used for operating expenses for CHDOs. In accordance with 92.300(a)(2)(f), A CHDO may not receive HOME funding for any fiscal year in an amount that provides more than 50 percent or \$50,000, whichever is greater, of the CHDOs total operating expenses in that fiscal year. TDHCA may award CHDO Operating Expenses in conjunction with the award of CHDO Development Funds, or through a separate application cycle not tied to a specific activity. In addition, TDHCA may elect to set aside up to 10 percent of funding for predevelopment loans funds, which may only be used for activities such as project-specific technical assistance, site control loans, and project-specific seed money. Predevelopment loans must be repaid from construction loan proceeds or other project income. In accordance with 24 CFR 92.301, TDHCA may elect to waive predevelopment loan repayment, in whole or in part, if there are impediments to project development that TDHCA determines are reasonably beyond the control of the CHDO.

### ***CONTRACT FOR DEED CONVERSIONS***

The 81st Legislature passed Appropriations Rider 6 to TDHCA's appropriation, which requires TDHCA to spend no less than \$4 million for the biennium on contract for deed conversions for families that reside in a colonia and earn 60 percent or less of the applicable area median family income (AMFI). Furthermore, TDHCA is targeted to convert no less than 200 contracts for deeds into traditional notes and deeds of trust. The intent of this program is to help colonia residents become property owners by converting their contracts for deeds into traditional mortgages. Households served under this initiative must not earn more than 60 percent of AMFI and the home converted must be their primary residence. The properties proposed for this initiative must meet TDHCA's definition of a colonia as defined in Chapter 2306, Texas Government Code or as published in the Department's program rules. HOME funds may be used in the administration of this program at the determination of the Department. If HOME funds are used for this activity, the program must comply with federal requirements as established in 24 CFR and in accordance with §2306.111 (c), these funds may only be used in non-PJs. As a statutorily required set-aside, these funds would not be subject to the Regional Allocation Formula, pursuant to §2306.111(d-1)(2) of the Texas Government Code.

### ***HOUSING PROGRAMS FOR PERSONS WITH DISABILITIES***

According to the American Community Survey 3-Year Estimates, between 2005-2007 there were approximately 3,019,042 million people in Texas over the age of five, or approximately 14.4 percent, had some type of long lasting condition or disability. Of these, 312,812 households, include persons with self-care limitations in Texas. Approximately 23.4 percent of people over the age of five with a disability were under the poverty level. However, leveraging other federal funds, the numbers of persons with disabilities transitioning from institutional living into community-based living is increasing, becoming a priority for the State of Texas. The TBRA Persons with Disabilities program is a critical component in the housing continuum toward helping households transition back into the community.

Approximately 5% of the State's annual HOME allocation shall be directed toward assistance for Persons with Disabilities (PWDs). The NOFA or NOFAs, separate from the regular HOME activity funding, can provide assistance for any HOME-eligible activity and, with the exception of for-profit applicants, will receive funds for administrative expenses and with no match requirement. Within the requirements of 2306.111(c) of the Texas Government Code as described below, applications under this NOFA or NOFAs may serve any area of the state.

In its administration of federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 USC Section 12701 et. seq.), TDHCA shall expend 95 percent of these funds for the benefit of non-participating small cities and rural areas that do not qualify to receive funds under the Cranston-Gonzalez National Affordable Housing Act directly from the United States Department of Housing and Urban Development. Five percent of these funds shall be expended for the benefit of persons with disabilities who live in any area of the state. Eligible applicants include nonprofits, for-profits, units of general local government, and public housing authorities with a documented history of working with special needs populations, or working in partnership with organizations with a documented history of working with special needs populations. TDHCA will ensure that all housing developments are built and managed in accordance with its Integrated Housing Rule, 10 TAC §1.15. In addition, funds for rental development may only be used to bring the units for persons with disabilities to be at 30 percent of Area Median Family Income or below.

### ***SPECIAL NEEDS POPULATIONS***

Subject to the availability of qualified applications, TDHCA has a goal to allocate a minimum of 20 percent of the annual HOME allocation to applicants serving persons with special needs. Eligible applicants include nonprofits, for-profits, units of general local government, and PHAs with documented histories of working with special needs populations. All HOME Program activities will be included in attaining this goal. Additional incentives may be established under each of the eligible activities to assist TDHCA in reaching its goal.

### **FUNDING DISTRIBUTION**

Subject to Texas Government Code §2306.111, HOME funds will be distributed according to the established Regional Allocation Formula (RAF). The 2010 RAF distributes funding for the following activities:

- CHDO Project Funds,
- Rental Housing Development Program,
- Single Family Activity Program.

The table below shows the regional funding distribution for all of the activities distributed under the RAF. Targeted funding amounts for each activity will also be established using the percentages generated by the RAF.

## Action Plans

### HOME

#### 2010 Targeted Distribution of Funds under the RAF

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$1,720,257	4.6%	\$1,719,823	100.0%	\$434	0.0%
2	Abilene	\$1,081,834	2.9%	\$1,054,137	97.4%	\$27,697	2.6%
3	Dallas/Fort Worth	\$7,535,817	20.0%	\$2,500,475	33.2%	\$5,035,342	66.8%
4	Tyler	\$3,714,016	9.8%	\$2,889,040	77.8%	\$824,976	22.2%
5	Beaumont	\$1,996,997	5.3%	\$1,776,185	88.9%	\$220,812	11.1%
6	Houston	\$3,427,061	9.1%	\$1,162,092	33.9%	\$2,264,969	66.1%
7	Austin/Round Rock	\$2,482,338	6.6%	\$1,116,180	45.0%	\$1,366,157	55.0%
8	Waco	\$1,448,525	3.8%	\$706,773	48.8%	\$741,752	51.2%
9	San Antonio	\$1,929,426	5.1%	\$1,238,269	64.2%	\$691,157	35.8%
10	Corpus Christi	\$2,286,072	6.1%	\$1,501,480	65.7%	\$784,592	34.3%
11	Brownsville/Harlingen	\$7,450,756	19.7%	\$3,441,506	46.2%	\$4,009,250	53.8%
12	San Angelo	\$1,651,324	4.4%	\$791,664	47.9%	\$859,660	52.1%
13	El Paso	\$1,003,375	2.7%	\$752,565	75.0%	\$250,811	25.0%
Total		\$37,727,798	100.0%	\$20,650,188	54.7%	\$17,077,610	45.3%

#### 2010 TARGETED DISTRIBUTION OF FUNDS UNDER THE RAF

TDHCA does not provide priorities for allocating investment geographically to areas of minority concentration as described in Section 91.320(d). However, the geographic distribution of HOME funds to minority populations is analyzed annually. TDHCA is statutorily required by the Texas Government Code to provide a comprehensive statement on its activities during the preceding year through a document called the State of Texas Low Income Housing Plan and Annual Report. Part of this document describes the ethnic and racial composition of families and individuals applying for and receiving assistance from each housing-related program operated by TDHCA.

#### Review of Applications

All programs will be operating and announced by the release of either an open or competitive cycle Notice of Funding Availability. Applicants must submit a completed application to be considered for funding, along with an application fee determined by TDHCA and outlined in the NOFA and/or application guidelines. Applications received by TDHCA will be reviewed for threshold, eligibility and/or scoring criteria in accordance with the Department's rules and application review procedures published in the NOFA and/or application materials.

#### Selection Process

All applications for funds are reviewed for threshold and eligibility requirements regarding application documentation and compliance with Department requirements on previously awarded contracts. Qualifying applications are recommended for funding based on the Department's rules and any additional requirements established in the Notice of Funding Availability. Applications may be recommended up to the limit of funds in accordance with the Department's rules and as further restricted in the Notice of Funding Availability. Applications submitted for development activities will also receive a review for financial feasibility and underwriting. Applications will be reviewed and

recommended for funding in the manner prescribed in the State of Texas HOME Program Rules. In any of the activities, the Department may integrate incentive points for applicants to further meet the needs of persons with disabilities.

### ***Match Requirements***

TDHCA will provide matching contributions from several sources for HOME funds drawn down from the State's HOME Investment Trust Funds Treasury account within the fiscal year. The State sources include the following:

- Loans originated from the proceeds of single family mortgage revenue bonds issued by the State. TDHCA will apply no more than 25 percent of bond proceeds to meet its annual match requirement.
- Match contributions from the State's Housing Trust Fund to affordable housing projects that are not HOME assisted, but that meet the requirements as specified in 24 CFR 92.219(b)(2).
- Eligible match contributions from State recipients, as specified in 24 CFR 92.220.
- Match contributions from local political jurisdictions provided through the abatement of real estate property taxes for affordable housing properties developed and owned by qualified CHDO applicants.

Additionally, TDHCA will continue to carry forward match credit.

### ***Deobligated HOME Program Funds***

When administrators have not successfully expended the HOME funds within their contract period, TDHCA deobligates the funds and pools the dollars to award applicants according to TDHCA's HOME Program Deobligated Funds Policy.

## **APPLICABLE FEDERAL AND STATE REGULATIONS**

HOME funds will be distributed in accordance with the eligible activities and eligible costs listed in 24 CFR 92.205–92.209 and 10 TAC Chapter 53. All local administrators will be required to execute certifications that the program will be administered according to federal HOME regulations and State HOME Rules.

Developments receiving funding from TDHCA must comply with accessibility standards required under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), as amended, and specified under 24 CFR Part 8, Subpart C. This includes a provision that a minimum of 5 percent of the total dwelling units or at least one unit, whichever is greater, must be made accessible for individuals with mobility impairments. An additional 2 percent of the total number of dwelling units or at least one unit, whichever is greater, must be accessible for individuals with hearing or vision impairments. In the event that a project does not meet the requirements of Section 504, TDHCA will consider using HOME deobligated funds for eligible Section 504 activities with the purpose of bringing noncompliant projects into compliance when appropriate and when such a request is supported by circumstances beyond the control of the administrator. This provision will not apply if Section 504 activities were included as part of the budget in contracts between TDHCA and administrators.

## **Action Plans**

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### **HOME**

#### **MINORITY PARTICIPATION**

TDHCA encourages minority employment and participation among all applicants under the HOME Program. All applicants to the HOME Program are required to submit an affirmative marketing plan as part of the application process. Additionally, TDHCA encourages applicant outreach to Historically Underutilized Businesses by providing information regarding Section 3 requirements during application workshops and requiring applicants to submit a Section 3 Outreach Plan as part of the application.

#### **RECAPTURE PROVISIONS UNDER HOMEOWNERSHIP PROGRAMS**

If the participating jurisdiction intends to use HOME funds for homebuyers, the guidelines for resale or recapture must be described as required in 24 CFR 92.254(a)(5).

TDHCA has elected to utilize the recapture provision under 24 CFR 92.254(a)(5)(ii) as its method of recapturing HOME funds under any program the State administers that is subject to this provision.

(1) The following methods of recapture would be acceptable to TDHCA and will be identified in the note prior to closing:

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

(B) In the event of sale or foreclosure of the housing unit, if the shared net proceeds (i.e., the sales price minus closing costs; any other necessary transaction costs; and loan repayment, other than HOME funds) are in excess of the amount of the HOME investment that is subject to recapture, then the net proceeds may be divided proportionately between TDHCA and the homeowner as set forth in the following mathematical formulas:

$$\text{(HOME investment / (HOME investment + homeowner investment)) X net proceeds = HOME amount to be recaptured}$$

$$\text{(Homeowner investment / (HOME investment + homeowner investment)) X net proceeds = amount to homeowner}$$

(2) The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This is also the amount upon which the affordability period is based. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy). The recaptured funds must be used to carry out HOME-eligible activities. If HOME funds were used for development subsidy and therefore not subject to recapture, the resale provisions at 24 CFR 92.254(a)(5)(i) apply.

Upon recapture of the HOME funds used in a single family homebuyer project with more than one unit, the affordability period on the rental units may be terminated at the discretion of TDHCA.

In certain instances, TDHCA may choose to utilize the resale provision at 24 CFR 92.254(a)(5)(i) under any program the State administers that is subject to this provision.

(1) The following method of resale would be acceptable to TDHCA and will be identified in the note prior to closing:

(A) Resale requirements must ensure that, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability, the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low or very low income family and will use the property as its principal residence.

(B) The resale requirement must also ensure that the price at resale provides the original HOME-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement) and ensure that the housing will remain affordable to a reasonable range of low or very low income homebuyers.

(C) The period of affordability is based on the total amount of HOME funds invested in the housing.

(2) Except as provided in paragraph 24 CFR 92.254(a)(5)(i)(B), deed restrictions, covenants running with the land, or other similar mechanisms must be used as the mechanism to impose the resale requirements.

## ***Action Plans***

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### **HOME**

#### **OTHER FORMS OF INVESTMENT**

If a participating jurisdiction intends to use other forms of investment not described in §92.205(b), a description of the other forms of investment must be provided.

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

#### ***REFINANCING DEBT***

If the State intends to use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under 24 CFR § 92.206(b).

TDHCA may use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds as described in 24 CFR § 92.206(b). TDHCA shall use its underwriting and evaluation standards, codified at 10 TAC, Chapter 1 and its HOME Program Rule at 10 TAC, Chapter 53, for refinanced properties in accordance with its administrative rules. At a minimum, these rules require the following:

- That rehabilitation is the primary eligible activity for developments involving refinancing of existing debt;
- Sets a minimum funding level for rehabilitation on a per unit basis;
- Requires a review of management practices to demonstrate that disinvestments in the property has not occurred;
- That long term needs of the project can be met;
- That the financial feasibility of the development will be maintained over an extended affordability period;
- State whether new investment is being made to maintain current affordable units, and or create additional affordable units;
- Specifies the required period of affordability;
- Specifies that HOME funds may be used throughout the entire jurisdiction, except as TDHCA may be limited by the Texas Government Code; and
- States that HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG.

#### **CPD OUTCOME PERFORMANCE MEASUREMENT SYSTEM REPORTING**

In accordance with the guidelines from HUD, TDHCA will comply with the new CPD Outcome Performance Measurement System. Compliance will be attained through the creation and development of additional tracking screens in TDHCA's central database to enable the Department to capture information needed for input into IDIS. HOME Program eligible activities will be categorized into the



objectives and outcomes listed in the chart below. It is anticipated most HOME Program eligible activities will be categorized as Outcome #2 and Objective #2.

The performance figures are based on planned performance during the Program Year (February 1st through January 31st) of contracts committed and projected households served. In contrast, the performance measures reported to the Texas Legislative Budget Board for the State Fiscal Year (September 1st through August 31st) are based on anticipated units and households at time of award. The HOME performance figures reported herein may include funding from several years as funds from previous years are deobligated and refunded.

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

**HOME Program Performance Measures**

Outcomes and Objectives	Performance Indicators	Expected Number
DH-2	No. of rental units assisted through new construction and rehabilitation	233
DH-2	No. of tenant-based rental assistance units	310
DH-2	No. of existing homeowners assisted through owner-occupied assistance	194
DH-2	No. of first-time homeowners assisted through homebuyer assistance	305

## *Action Plans*

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### *HOME*

## **HOME PROGRAM ACTIONS**

This section describes how the HOME Program addresses the following: affordable housing, public housing resident initiatives, lead-based paint hazards, poverty-level households, and institutional structure.

### ***AFFORDABLE HOUSING***

The HOME Program provides grant funds, deferred forgivable loans, and repayable loans to units of local government, nonprofit and for-profit organizations, community housing development organizations (CHDOs), and public housing authorities (PHAs). These funds are primarily used to foster and maintain affordable housing by providing rental assistance, rehabilitation, or reconstruction of owner-occupied housing units with or without refinancing, down payment and closing cost assistance with optional rehabilitation for the acquisition of affordable single family housing, single family development and funding for rental housing development preservation of existing affordable or subsidized rental housing.

### ***PUBLIC HOUSING RESIDENT INITIATIVES***

Because PHAs are eligible applicants under the HOME Program, TDHCA sends notification of published notices of funding availability to all PHAs in the state. At HOME application workshops, application processes are discussed in detail, including those related to HBA. In addition to PHAs that have received HOME funds to provide homebuyer assistance in their areas, PHAs have also received HOME tenant-based rental assistance funds, enabling them to provide additional households with rental assistance and services to increase self-sufficiency.

### ***LEAD-BASED HAZARDS***

The HOME Program requires an environmental site assessment and the abatement of lead-based paint if the structure being rehabilitated was constructed prior to 1978. There is significant training, technical assistance, and oversight of this requirement on each contract funded under the HOME Program. More detail on how HOME addresses lead-based paint can be found in the Strategic Plan on page 152.

### ***POVERTY-LEVEL HOUSEHOLDS***

Through the HOME Tenant-Based Rental Assistance Program, TDHCA assists households with rental subsidy and security and utility deposit assistance for a period not to exceed two years. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training, GED classes, or drug recovery classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment options and increase their economic independence and self-sufficiency.

### ***INSTITUTIONAL STRUCTURE***

The HOME Program encourages partnerships in order to improve the provision of affordable housing. Organizations receiving HBA funds are required to provide homebuyer education classes to households directly, or coordinate with a local organization that will provide the education. In addition, organizations receiving TBRA funds must provide self-sufficiency services directly, or coordinate with a local organization that will provide the services.

## **HOMELESS ACTION PLAN: EMERGENCY SHELTER GRANTS PROGRAM**

### **FEDERAL RESOURCES EXPECTED PY 2010**

TDHCA will receive \$5,288,867 for PY 2010.

### **RECIPIENTS**

Recipients of ESGP funds are units of general local government and private nonprofit organizations.

### **ESTIMATED PY 2010 BENEFICIARIES**

It is estimated that in PY 2010 74 private nonprofit entities and units of general local government will be funded to administer projects that will provide shelter and related services to homeless persons and/or intervention services to persons at risk of homelessness. Six of the subrecipient organizations are funded for collaborative applications with one or more partners. It is estimated that approximately 100,000 homeless persons will be assisted in PY 2010.

### **TARGETED BENEFICIARIES**

The targeted beneficiaries are homeless individuals and individuals at risk of homelessness.

### **FUNDING DISTRIBUTION**

TDHCA has administered the Emergency Shelter Grants Program (ESGP) since 1987. TDHCA will administer the S-094-DC-48-0001 ESGP funds in a manner consistent with the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. Sec 11371 et seq.). TDHCA will obligate PY 2009 ESGP funds through a statewide competitive application process. ESGP funds are reserved for each of the State's 13 Uniform State Service Regions based on the poverty population of each region taken from the 2000 US Census.

### **OBJECTIVES**

The objectives of ESGP consist of the following:

- Help improve the quality of emergency shelters for the homeless.
- Make additional emergency shelters available.
- Help meet the costs of operating and maintaining emergency shelters.
- Provide essential services so that homeless individuals have access to the assistance they need to improve their situations.
- Provide emergency intervention assistance to prevent homelessness.

The State's strategy to help homeless persons includes: community outreach efforts to ensure that homeless persons and persons at risk of homelessness are aware of available services, providing funding to support emergency shelter and transitional housing programs, helping homeless persons

## ***Action Plans***

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### ***ESGP***

make the transition to permanent housing and independent living through comprehensive case management, and supporting other efforts to address homelessness. This strategy is outlined below.

#### ***HELPING LOW INCOME FAMILIES AVOID BECOMING HOMELESS***

TDHCA awards ESGP funds using the competitive process described in the ESGP One-Year Action Plan. In that process, up to 30 percent of the State's ESGP annual allocation is made available to support homelessness prevention activities, and up to 30 percent of the ESGP annual allocation is made available to provide essential services. Homelessness prevention efforts include short-term rent and utility assistance for homeless individuals and families and, if they meet certain criteria, those who are at-risk of losing their housing.

Applicants for ESGP funding are required to demonstrate coordination with other providers in their communities as part of the ESGP scoring criteria. ESGP grant recipients are encouraged to maximize all community resources when providing homelessness prevention assistance to ensure the appropriate use of these limited resources.

#### ***REACHING OUT TO HOMELESS PERSONS AND ASSESSING THEIR INDIVIDUAL NEEDS***

Each application for ESGP funding includes information about the case management system used by the applicant organization.

Each application for ESGP funding includes a description of services provided to homeless persons. This description is evaluated during the application review process as a criterion for receiving ESGP funding.

ESGP grant recipients will be required to report on outcomes achieved by homeless persons assisted. Reporting on outcomes will provide TDHCA with information on the long-term impact of the services provided such as the attainment of transitional housing or permanent housing, obtaining a GED or high school diploma or the achievement of other education and training goals, obtaining job skills, job placement, etc.

#### ***ADDRESSING THE EMERGENCY SHELTER AND TRANSITIONAL HOUSING NEEDS OF HOMELESS PERSONS***

ESGP grants provide support to organizations that provide emergency services, shelter, and transitional housing to homeless persons and families.

To ensure equitable distribution of funding, a portion of the ESGP allocation is reserved for each of the 13 regions in the state on the basis of the poverty population in each region. TDHCA expects to fund 76 projects in PY 2009. (See the ESGP Obligation Process later in this section.)

#### ***HELPING HOMELESS PERSONS MAKE THE TRANSITION TO PERMANENT HOUSING:***

ESGP funds can be used to pay rent and utility deposits as well as first month's rent for homeless individuals making the transition to permanent housing.

#### ***SUPPORTING OTHER EFFORTS TO ADDRESS HOMELESSNESS:***

The State has contracted with an organization to provide technical assistance in FY 2009 to rural homeless coalitions representing approximately 182 Texas counties and will support the State's effort to assist rural communities in their efforts to access federal CoC funds and that are interested in being

part of the State's application for Continuum of Care funds for the balance of state areas in the State. Types of technical assistance to be rendered will include, but not be limited to, homeless counts/surveys, compilation of a housing and services inventory, identification of housing gaps, and development of homeless discharge plan strategies for their area. Organizations receiving the technical assistance must be located in a Balance of State area and applying for Continuum of Care funds through the U.S. Department of Housing and Urban Development. The State has provided State General Revenue funds to the Texas Homeless Network, the awardee of the RFP which the Department released in 2008, to provide the referenced technical assistance. The first year of funding is expected to begin September 1, 2008 and the second year will begin September 1, 2009. The Department expects that as a result of the technical assistance that will be rendered, the State will submit a more competitive application to HUD for Continuum of Care funds. If the State receives Continuum of Care funds for the Balance of State areas, additional homeless persons will be assisted in the State. The source of funding for this contract is State general revenue funds.

## **ELIGIBLE ACTIVITIES**

ESGP funds may be used for the following eligible activities:

- (1) Renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters for the homeless.
- (2) Provision of essential services, including, but not limited to, the following:
  - (A) Assistance in obtaining permanent housing
  - (B) Medical and psychological counseling and supervision
  - (C) Employment counseling
  - (D) Nutritional counseling
  - (E) Substance abuse treatment and counseling
  - (F) Assistance in obtaining other federal, state, and local assistance
  - (G) Other services such as child care, transportation, job placement, and job training
  - (H) Staff salaries necessary to provide the above services

These services may be provided only pursuant to Sec. 414 of the McKinney Act as amended by Sec. 832 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Sec. 11374), which requires that services funded with ESGP must be provided in a nondiscriminatory manner.

- (3) Payment of maintenance, operation, and furnishings costs, except that not more than 10 percent of the amount of any ESGP grant may be used to pay operation staff costs.
- (4) Developing and implementing homeless prevention activities as per Sec. 414 of the McKinney Act as amended by Sec. 832 of the Cranston-Gonzalez National Affordable Housing Act.

## **Action Plans**

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### **ESGP**

#### **RECIPIENT REQUIREMENTS**

Recipients of ESGP funding are required to meet certain minimum specifications that include, but are not limited to, the following:

- (1) Being a unit of general local government or private nonprofit organization.
- (2) Documenting, in the case of a private nonprofit organization, that the proposed project has the approval of the city, county, or other unit of local government in which the project will operate.
- (3) Providing for the participation of homeless or formerly homeless individuals on their board of directors or other policy-making entity.
- (4) Assuring that ESGP subrecipients obligate funds within 180 days from the date that TDHCA received the award letter from HUD.
- (5) Documentation of fiscal accountability, as specified in the application.
- (6) Proposing to undertake only eligible activities.
- (7) Demonstrating need.
- (8) Assuring ability to provide matching funds.
- (9) Demonstrating effectiveness in serving the homeless, including the ability to establish, maintain, and/or improve the self-sufficiency of homeless individuals.
- (10) Assuring that homeless individuals will be involved in the provision of services funded through ESGP, to the maximum extent feasible, through employment, volunteerism, renovating, maintaining or operating facilities, and/or providing direct services to occupants of facilities assisted with ESGP funds.
- (11) Assuring the operation of an adequate, sanitary, and safe homeless facility.
- (12) Assuring that it will administer, in good faith, a policy designed to ensure that the homeless facility is free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.
- (13) Assuring that it will develop and implement procedures to ensure the confidentiality of records of any individual receiving assistance as a result of family violence.
- (14) Proposing a sound plan consistent with the State of Texas Consolidated Plan, the McKinney-Vento Homeless Assistance Act, and all other assurances and certifications.
- (15) Assuring the participation in the development and implementation, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of person from publicly funded institutions and systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) to prevent such discharge from immediately resulting in homelessness for such persons. ESGP funds are not to be used to assist such persons in place of State and local resources.
- (16) Assuring that it will meet HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.

(17) Any renovation carried out with ESGP assistance shall be sufficient to ensure that the building involved is safe and sanitary, and the renovation will assist homeless individuals in obtaining:

(A) appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

(B) other Federal, state, local, and private assistance available for such individuals.

## **FUND OBLIGATION PROCESS**

TDHCA will obligate PY 2009 ESGP funds to units of general local government or to private nonprofit organizations which have local government approval to operate a project which assists homeless individuals. TDHCA will evaluate all applications received and award funds in accordance with the application specifications. This statewide competitive application process will allow ESGP funds to be distributed equitably.

The State's anticipated ESGP allocation for PY 2009 is \$5,288,867 less 5 percent (\$264,443) for state administration costs of which approximately \$18,612 will be shared with subrecipient organizations which are units of general local government. TDHCA reserves ESGP funds for each of the 13 Uniform State Service Regions. Funds are reserved for each region in direct proportion to the percentage of poverty population that exists in each region according to the most recent county Census data. Applicants compete only against other applicants in their Uniform State Service Region.

TDHCA is statutorily required by the Texas Government Code to provide a comprehensive statement on its activities during the preceding year through a document called the State of Texas Low Income Housing Plan and Annual Report. Part of this document describes the ethnic and racial composition of families and individuals applying for and receiving assistance from each housing-related program operated by TDHCA.

TDHCA issues a notice of funding availability (NOFA) and posts an application to its website. Applications are also provided directly to any organization or individual upon request. The applications are reviewed using a standardized review instrument. A variety of factors, as per the application instructions, are evaluated and scored to determine each application's merit in identifying and addressing the needs of the homeless population, as well as the organization's capacity to carry out the proposed project.

The top scoring applications in each region will be recommended for funding based on the amount of funds reserved for each region. All available ESGP funds are obligated each year through 12-month contracts.

## **APPLICABLE FEDERAL AND STATE REGULATIONS**

- 24 CFR 576 as amended;
- Title IV, Subtitle B of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. sec, 11371 et seq.)
- 10 Texas Administrative Code, Chapter 5, Subchapter C.

## **Action Plans**

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### **ESGP**

#### **LEVERAGING RESOURCES**

Section 576.51 of the ESGP regulations state that each grantee must match the funding provided by HUD. Match resources must be provided after the date of the ESGP grant award and must be provided in an amount equal to or greater than the ESGP grant award. Resources used to match a previous grant may not be used to match a subsequent award. Sources of match may include, but are not limited to, unrestricted funds from the grant recipient, volunteer hours, the value of donated materials or buildings, or the fair market rent or lease value of a building used to provide services to the homeless population. Each applicant must identify the source and amount of match they intend to provide if they are selected for funding and may report monthly on the amount of match provided. ESGP monitors review the match documentation during each on-site monitoring visit. A desk review is completed at the closeout of each contract to ensure, among other things, that each ESGP recipient has provided an adequate amount of match during the contract period.

#### **SPECIAL INITIATIVES AND PARTNERSHIPS**

TDHCA is the lead agency in the Texas Interagency Council for the Homeless (TICH). TICH is charged with surveying and evaluating services for the homeless in Texas, assisting in the coordination and provision of services to homeless person throughout the State, increasing the flow of information among service providers and appropriate authorities, developing guidelines to monitor services to the homeless, providing technical assistance to the housing finance division of TDHCA in assessing housing needs for persons with special needs, establishing a central resource and information center for the State's homeless population, and developing a strategic plan to address the needs of the homeless in cooperation with TDHCA and the Health and Human Services Commission.

TDHCA also supports activities that address homelessness, including providing technical assistance to develop and strengthen homeless coalitions throughout Texas, distributing a statewide bimonthly newsletter on homelessness, maintaining an information resource center, workshops, sponsoring an annual statewide conference on homeless issues, and the provision of training and technical assistance to organizations interested in being part of the State's application for Continuum of Care funds for the balance of state areas in the State.

#### **CPD OUTCOME PERFORMANCE MEASUREMENT SYSTEM REPORTING**

ESGP began reporting using the HUD CPD Outcome Performance Measurement System on September 1, 2006, with the implementation of the 2006 ESGP contracts. TDHCA will continue to utilize this reporting system in 2009. In 2007, the HUD CPD Outcome Performance Measurement System became automated whereby subrecipients began to report performance data via a Web based application. TDHCA's monthly performance reports have been amended to include changes in reporting requirements required by HUD and to gather data on persons assisted with services which are outcome oriented and have a long-term impact. ESGP activities related to renovation/rehabilitation, essential services, maintenance, operations, and furnishings will fall under HUD's Outcome 1, Availability/Accessibility, and Objective 1, Create a Suitable Living Environment (SL-1). ESGP activities related to homelessness prevention will be reported under HUD's Outcome 1, Affordability and Objective 2, Provide Decent Housing (DH-2).



**ESGP Annual Action Plan Planned Project Results**

<b>Outcomes and Objectives</b>	<b>Performance Indicators</b>	<b>Expected Number</b>	<b>Activity Description</b>
<b>SL-1</b> Availability/ Accessibility and Create a Suitable Living Environment	Accessibility for the purpose of creating a suitable living environment.	28,000	Provide funding to support the provision of emergency and/or transitional shelter to homeless persons.
<b>DH-2</b> Affordability and Provide Decent Housing	Affordability for the purpose of providing decent housing.	72,000	The provision of non-residential services including homelessness prevention assistance.

**ESGP ACTIONS**

This section describes how ESGP addresses the following: affordable housing, public housing resident initiatives, lead-based pain hazards, poverty-level households, and institutional structure.

***AFFORDABLE HOUSING***

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

***PUBLIC HOUSING RESIDENT INITIATIVES***

Fostering public housing resident initiatives is not an initiative for which TDHCA provides funding or that TDHCA tracks for the ESGP Program.

***LEAD-BASED HAZARDS***

TDHCA evaluates and reduces lead-based hazards for conversion, renovation, or rehabilitation projects funded with ESGP funds and tracks work in these efforts in the ESGP Program as required by Chapter 58 of the Environmental Protection Act. More detail on how ESGP addresses lead-based paint can be found in the Strategic Plan on page 153.

***POVERTY-LEVEL HOUSEHOLDS***

While TDHCA encourages the use of ESGP funds to help ESGP clients lift themselves above the poverty line, it is not an initiative for which TDHCA provides funding or that TDHCA monitors for the ESGP Program.

***INSTITUTIONAL STRUCTURE***

TDHCA encourages ESGP subrecipients to coordinate services with housing and other service agencies. Collaborative applications funded with ESGP funds are required to coordinate services and to provide services as part of a local continuum of care. TDHCA reviews ESGP subrecipients' coordination efforts during on-site and desk monitoring.

## ***Action Plans***

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### ***ESGP***

#### ***CHRONIC HOMELESSNESS***

While the Department does not have a complete “inventory” of the supportive services offered by the ESGP funded organizations, the Department began to collect information on the number of persons provided with supportive services in FY 2006. The range of supportive services include: legal advocacy, education, employment, housing, counseling, psychological treatment and/or psychological counseling, substance abuse treatment, medical assistance, parenting and budgeting classes, housing advocacy, transportation assistance, English-as-a-Second Language classes, and clothing.

An inventory of the Emergency, Transitional Housing, and Permanent Supportive Housing beds reported in the 2008 Continuum of Care applications can be found in the Chronic Homeless section starting on page 96 of the Housing Market Analysis chapter above.

## TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

### 2010 ACTION PLAN

#### I. PROGRAM YEAR 2010 GENERAL PROGRAM INFORMATION

##### A. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ADMINISTRATION

The Texas Department of Rural Affairs (TDRA), which after September 1, 2009 will be the Texas Department of Rural Affairs (TDRA), administers the State of Texas Community Development Block Grant Program (CDBG), called the Texas Community Development Block Grant Program (Texas CDBG). The Texas Department of Agriculture (TDA) administers the Texas Capital Fund through an interagency agreement between TDRA and TDA. The Tx CDBG will continue to fund the Colonia Self-Help Centers Fund but administration of that program will remain with the Texas Department of Housing and Community Affairs (TDHCA) Office of Colonia Initiatives through a Memorandum of Understanding between TDRA and TDHCA.

The mission of the Texas Department of Rural Affairs is to enhance the quality of life for rural Texans.

##### B. ELIGIBLE APPLICANTS

Eligible applicants are nonentitlement general purpose units of local government including cities and counties that are not participating or designated as eligible to participate in the entitlement portion of the federal Community Development Block Grant Program (CDBG). Nonentitlement cities that are not participating in urban county programs through existing participation agreements are eligible applicants (unless the city's population is counted towards the urban county CDBG allocation).

Nonentitlement cities are located predominately in rural areas and are cities with populations less than 50,000 thousand persons; cities that are not designated as a central city of a metropolitan statistical area; and cities that are not participating in urban county programs. Nonentitlement counties are also predominately rural in nature and are counties that generally have fewer than 200,000 persons in the nonentitlement cities and unincorporated areas located in the county.

Hidalgo County, a designated CDBG urban county, is eligible to receive assistance under the Texas Community Development Block Grant (Tx CDBG) Program Colonia Fund (and each fund category included under the Colonia Fund).

Counties eligible under both the Tx CDBG Colonia Fund and the Texas Water Development Board's Economically Distressed Areas Program (EDAP) are eligible under the Tx CDBG Colonia Economically Distressed Areas Program Fund. Non-entitlement cities located within eligible counties that meet other eligibility criteria, including the geographic requirements of the Colonia Fund, are also eligible applicants for the Tx CDBG Colonia Economically Distressed Areas Program Fund.

With the enactment of §43.907 of the Texas Local Government Code, a colonia meeting specified requirements that is annexed by a municipality remains eligible for five years after the effective date of the annexation to receive any form of assistance for which the colonia would be eligible if the

## **Action Plans**

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### **CDBG**

annexation had not occurred. This only applies to a colonia annexed by a municipality on or after September 1, 1999.

### **C. ELIGIBLE ACTIVITIES**

Eligible activities under the Texas Community Development Block Grant Program are listed in 42 U.S.C Section 5305. The Tx CDBG staff reviews all proposed project activities included in applications for all fund categories, except the Texas Capital Fund, to determine their eligibility. The Texas Department of Agriculture determines the eligibility of activities included in Texas Capital Fund applications.

**All proposed activities must meet one of the following three National Program Objectives:**

1. principally benefit low- and moderate-income persons; or
2. aid in the elimination of slums or blight; or
3. meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community

Area benefit can be used to qualify street paving projects. However, for street paving projects that include multiple and non-contiguous target areas, each target area must separately meet the principally benefit low and moderate income national program objective. At least fifty-one percent (51%) of the residents located in each non-contiguous target area must be low and moderate income persons. A target area that does not meet this requirement cannot be included in an application for Tx CDBG funds. The only exception to this requirement is street paving eligible under the Disaster Relief/Urgent Need Fund.

### **D. INELIGIBLE ACTIVITIES**

In general, any type of activity not described or referred to in 42 U.S.C Section 5305 is ineligible. Specific activities ineligible under the Texas Community Development Block Grant Program are:

1. construction of buildings and facilities used for the general conduct of government (e.g. city halls, courthouses, etc.);
2. new housing construction, except as last resort housing under 49 CFR Part 24 or affordable housing through eligible subrecipients in accordance with 24 CFR 570.204;
3. the financing of political activities;
4. purchases of construction equipment (except in limited circumstances under the STEP Program);
5. income payments, such as housing allowances; and
6. most operation and maintenance expenses (including smoke testing, televising / videotaping line work, or any other investigative method to determine the overall scope and location of the project work activities)

The Texas Capital Fund (TCF) will not accept applications in support of public or private prisons, racetracks and projects that address job creation/retention through a government supported facility. The Texas Capital Fund Program may be used to financially assist/facilitate the relocation of a business when certain requirements, as defined in the application guidelines, are met.

## **E. PRIMARY BENEFICIARIES**

The primary beneficiaries of the Texas Community Development Block Grant Program are low to moderate income persons as defined under the U.S. Department of Housing and Urban Development (HUD) Section 8 Assisted Housing Program (Section 102(c)). Low income families are defined as those earning less than 50 percent of the area median family income. Moderate income families are defined as those earning less than 80 percent of the area median family income. The area median family can be based on a metropolitan statistical area, a non-metropolitan county, or the statewide non-metropolitan median family income figure.

## **F. DISPLACEMENT OF PERSONS ASSISTED**

Applicant localities must certify that they will minimize the displacement of persons as a result of activities assisted with Texas Community Development Block Grant Program grant funds.

# **II. ALLOCATION OF CDBG FUNDS**

## **A. AVAILABLE FUND CATEGORIES**

Assistance is available in six funding categories and one pilot program under the Texas Community Development Block Grant Program as indicated below:

Funds:

1. Community Development Fund
2. Texas Capital Fund
3. Colonia Fund
  - 3a. Colonia Planning and Construction Fund
  - 3b. Colonia Economically Distressed Areas Program Legislative Set-Aside
  - 3c. Colonia Self-Help Centers Legislative Set-Aside
4. Planning and Capacity Building Fund
5. Disaster Relief/Urgent Need Fund
6. Tx CDBG STEP Fund

*PILOT PROGRAM: RENEWABLE ENERGY DEMONSTRATION PILOT PROGRAM*

## **B. DESCRIPTION OF FUNDS**

### **1. Community Development Fund**

This fund is available on a biennial basis for funding from program years 2009 and 2010 through a 2009 annual competition in each of the 24 state planning regions. Applications received by the 2009 program year application deadline are selected to receive grant awards from the 2009 and 2010 program year allocations. The scoring of the applications is shared between TDRA and the 24 Regional Review Committees (RRC), with the RRC having the predominate percentage of the total possible score.

**Regional Priority Set-asides: Housing and Non-Border Colonia projects** - Each Regional Review Committee (RRC) is encouraged to allocate a percentage or amount of its Community Development Fund allocation to housing projects and, for RRCs in eligible areas, non-border colonia projects proposed in and for that region. Under a set-aside, the highest ranked applications for a housing or non-border colonia activity, regardless of the position in the overall ranking, would be selected to the extent

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permitted by the housing or non-border colonia set-aside level. If the region allocates a percentage of its funds to housing and/or non-border colonia activities and applications conforming to the maximum and minimum amounts are not received to use the entire set-asides, the remaining funds may be used for other eligible activities. (Under a housing and/or non-border colonia set-aside process, a community would not be able to receive an award for both a housing or non-border colonia activity and an award for another Community Development activity during the biennial process. Housing projects/activities must conform to eligibility requirements in 42 U.S.C Section 5305 and applicable HUD regulations.) Affordable housing is an eligible project activity within this fund category.

Funds for projects under the Community Development Fund are allocated among the 24 state planning regions based on the following:

#### **REGIONAL ALLOCATION METHOD**

The original CD formula is used to allocate 40 percent of the annual state CDBG allocation; and the HUD formula is used to allocate 21.71 percent of the annual state CDBG allocation.

Original CD formula (40%) factors:

a. Non-Entitlement Population	30%
b. Number of Persons in Poverty	25%
c. Percentage of Poverty Persons	25%
d. Number of Unemployed Persons	10%
e. Percentage of Unemployed Persons	10%

To the extent possible, the information used to calculate the regional allocations through these factors will be based on the eligible nonentitlement applicants within each region. The population and poverty information used is from the current available decennial census data. The unemployment information used is the current available annual average information.

HUD formula (21.71%) - the formula is the same methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs. The HUD factors, percentages, and methodology are specified in 42 U.S.C. 5306(d). The Tx CDBG will use available data to calculate the allocations to each region.

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

(A) the average of the ratios between:

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

OR

(B) the average of the ratios between:

- the age of housing in the nonentitlement areas in that region and the age of housing in the nonentitlement areas in all 24 regions (counted two and one half times - 50% weight);
- the extent of poverty in the nonentitlement areas in that region and the extent of poverty in the nonentitlement areas of all 24 regions (counted one and one half times - 30% weight); and
- the population of the nonentitlement areas in that region and the population of the nonentitlement areas of all 24 regions (counted one time - 20% weight).

The Tx CDBG will continue to involve the non-entitlement communities and the public in a review of the regional allocation formula through public hearings, meetings of the TDRA board, Task Forces, and input from the State Community Development Review Committee, Regional Councils of Governments, local and state government officials, and other interested parties.

Some regions in the state have a small number of eligible applicants and these regions may receive regional allocations large enough to allow each eligible applicant in that region to apply for an equal share of the regional allocations. The share available to each eligible applicant in the region may amount to an equal share based on the number of eligible applicants and the 2009 and 2010 regional allocations for that region. Or the share available to each eligible applicant in the region may be based on an allocation formula used by the region to allocate the funds available through the 2009 and 2010 regional allocations for the region. Each applicant in one of these regions must meet all state and federal eligibility requirements including but not limited to Tx CDBG applicant threshold requirements, federal requirements for eligible activities, and federal requirements that each activity in an application meet one of the three national program objectives. Applicants in these regions are scored by the Regional Review Committees and the Tx CDBG staff in accordance with the established Community Development Fund selection criteria. The total score received by each applicant in these regions determines if the applicant receives funding from the 2009 regional allocation or 2010 regional allocation.

A significant increase or decrease to the State's current Program Year CDBG allocation may result in corresponding increases or decreases to the current Program Year Community Development Fund allocation and correspondingly higher or lower regional allocations.

Non-border colonia projects – available to eligible county applicants for projects in severely distressed unincorporated areas located farther than 150 miles from the Texas-Mexico border and non-entitlement counties, or portions of counties, within 150 miles of the Texas-Mexico border that are not eligible for the Colonia Fund because they are located in a standard metropolitan statistical area that has a population exceeding 1,000,000, as specified the Cranston-Gonzalez National Affordable Housing Act. Non-border colonia areas would be an identifiable unincorporated community that is determined to be colonia-like on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and was in existence as a colonia before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act (November 28, 1990).

Applicants must demonstrate they are adequately addressing water supply and water conservation issues (in particular contingency plans to address drought-related water supply issues), as described in the application guidance.

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Applications requesting funds for projects other than water and sewer must include a description of how the applicant's water and sewer needs would be met and the source of funding that would be used to meet these needs.

#### **2. Texas Capital Fund**

This economic development funding is used for projects that will create or retain permanent employment opportunities, primarily for low to moderate income persons, and for county economic and management development activities. Responsibility for this fund is contracted to the Texas Department of Agriculture through an interagency agreement. The funds may be used to provide financial assistance for eligible activities as cited in 42 U.S.C Section 5305, including the following activities.

- a. Infrastructure improvements to assist a for-profit entity or a non-profit entity.
- b. Acquisition of real property or to acquire, construct, reconstruct, or rehabilitate public facilities to assist a for-profit entity.
- c. Infrastructure improvements to assist Texas Main Street Program designated municipalities.
- d. Downtown Revitalization Program that is designed to foster and stimulate economic development in downtown areas by providing financial assistance for public improvements to non-entitlement cities. This program encourages the elimination of slum and blighted areas by targeting the renovation and/or construction of sidewalks, lighting, drainage and other infrastructure improvements in downtown areas. Communities eligible for the Texas Main Street Program are not eligible for the Downtown Revitalization Program.
- e. County economic and management development activities as approved by TDRA. Not more than five percent (5%) of the Texas Capital Fund allocation may be used for these activities. Section 487.3521 of the Texas Government Code requires TDRA to "allocate not more than five percent of the funds allocated to the Department of Agriculture under the Texas Capital Fund to be used for county economic and management development." TDRA will review activities proposed for this assistance and determine if the activities are consistent with the federal law governing the CDBG program.
- f. Assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that:
  - (1) creates or retains jobs for low- and moderate-income persons;
  - (2) prevents or eliminates slums or blight;
  - (3) meets urgent needs;
  - (4) creates or retains businesses owned by community residents;
  - (5) assists businesses that provide goods or services needed by, and affordable to, low- and moderate-income residents; or
  - (6) provides technical assistance to promote any of the activities under subparagraphs (1) through (5).



The Texas Capital Fund program will require repayment for Real Estate and Infrastructure projects, as follows:

- a. Real Estate Development (including improvements to the business site) projects require full repayment with no interest accruing; and
- b. Infrastructure Program (awards for infrastructure or railroad improvements on private property require full repayment with no interest accruing).

**3. *Colonia Fund***

This fund is available to eligible county applicants for projects in severely distressed unincorporated areas which meet the definition as a “colonia” under this fund. Scoring of all the selection criteria for Colonia Fund applications is completed by Tx CDBG staff. The term “colonia” means any identifiable unincorporated community that is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and was in existence as a colonia before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act (November 28, 1990). Except for fund categories where additional restrictions apply, a county can only submit applications on behalf of eligible colonia areas located within 150 miles of the Texas-Mexico border region, except that any county that is part of a standard metropolitan statistical area with a population exceeding 1,000,000 is not eligible under this fund.

**3a. *Colonia Planning and Construction Fund***

The allocation is available on a biennial basis for funding from program years 2009 and 2010 through a 2009 annual competition. Applications received by the 2009 program year application deadline are eligible to receive grant awards from the 2009 and 2010 program year allocations. Funding priority shall be given to Tx CDBG applications from localities that have been funded through the Texas Water Development Board Economically Distressed Areas Program (TWDB EDAP) where the Tx CDBG project will provide assistance to colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with access to the TWDB EDAP-funded water or sewer system.

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An eligible county applicant may submit one (1) application for the following eligible construction activities:

- (1) **Assessments for Public Improvements** – The payment of assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low- and moderate-income to recover the capital cost for a public improvement.
- (2) **Other Improvements** – Other activities eligible under 42 U.S.C Section 5305 designed to meet the needs of colonia residents.

### ***Colonia Planning Component***

A portion of the funds will be allocated to two separate biennial competitions for applications that include planning activities targeted to selected colonia areas – (Colonia Area Planning activities), and for applications that include countywide comprehensive planning activities (Colonia Comprehensive Planning activities). Applications received by the 2009 program year application deadline are eligible to receive a grant award from the 2009 and 2010 program year allocations.

In order to qualify for the Colonia Area Planning activities, the county applicant must have a Colonia Comprehensive Plan in place that prioritizes problems and colonias for future action. The targeted colonia must be included in the Colonia Comprehensive Plan.

A Colonia Planning activities application must receive a minimum score for the Project Design selection factor of at least 70 percent of the maximum number of points allowable under this factor to be considered for funding.

#### **(1) *Colonia Area Planning Activities***

An eligible county may submit an application for eligible planning activities that are targeted to one or more colonia areas. Eligible activities include:

- Payment of the cost of planning community development (including water and sewage facilities) and housing activities;
- costs for the provision of information and technical assistance to residents of the area in which the activities are located and to appropriate nonprofit organizations and public agencies acting on behalf of the residents; and
- costs for preliminary surveys and analyses of market needs, preliminary site engineering and architectural services, site options, applications, mortgage commitments, legal services, and obtaining construction loans.

#### **(2) *Colonia Comprehensive Planning Activities***

To be eligible for these funds, a county must be located within 150 miles of the Texas-Mexico border. The applicant's countywide comprehensive plan will provide a general assessment of the colonias in the county, but will include enough detail for accurate profiles of the county's colonia areas. The prepared comprehensive plan must include the following information and general planning elements:

- Verification of the number of dwellings, number of lots, number of occupied lots, and the number of persons residing in each county colonia

- Mapping of the locations of each county colonia
- Demographic and economic information on colonia residents
- The physical environment in each colonia including land use and conditions, soil types, and flood prone areas
- An inventory of the existing infrastructure (water, sewer, streets, drainage) in each colonia and the infrastructure needs in each colonia including projected infrastructure costs
- The condition of the existing housing stock in each colonia and projected housing costs
- A ranking system for colonias that will enable counties to prioritize colonia improvements rationally and systematically plan and implement short-range and long-range strategies to address colonia needs
- Goals and Objectives
- Five-year capital improvement program

### **3b. Colonia Economically Distressed Areas Program (CEDAP) Legislative Set-aside**

The allocation is distributed on an as-needed basis. Eligible applicants are counties, and nonentitlement cities located in those counties, that are eligible under the Tx CDBG Colonia Fund, including meeting the geographic requirements, and Texas Water Development Board's Economically Distressed Areas Program (TWDB EDAP). Eligible projects shall be located in unincorporated colonias; in colonias located in eligible nonentitlement cities that annexed the colonia and the application for improvements in the colonia is submitted within five (5) years from the effective date of the annexation; or in colonias located in eligible nonentitlement cities where the city is in the process of annexing the colonia where the improvements are to be made.

Eligible applicants may submit an application that will provide assistance to colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB EDAP-funded water and sewer system improvement project. An application cannot be submitted until the construction of the TWDB EDAP-funded water or sewer system begins.

Eligible program costs include water distribution lines and sewer collection lines providing connection to water and sewer lines installed through the Texas Water Development Board's Economically Distressed Areas Program (when approved by the Tx CDBG), taps and meters (when approved by the Tx CDBG), yard service lines, service connections, plumbing improvements, and connection fees, and other eligible approved costs associated with connecting an income-eligible family's housing unit to the TWDB improvements.

An applicant may not have an existing CEDAP contract open in excess of 48 months and still be eligible for a new CEDAP award.

### **3c. Colonia Self-Help Centers Legislative Set-aside**

In accordance with Subchapter Z, Chapter 2306, Government Code, and Title 10, Texas Administrative Code, Part 1, Chapter 3, TDHCA has established self-help centers in Cameron County, El Paso County, Hidalgo County, Starr County, and Webb County. If deemed necessary and appropriate, TDHCA may establish self-help centers in other counties (self-help centers have been established in Maverick County and Val Verde County) as long as the site is located in a county that is designated as an economically distressed area under the Texas Water Development Board Economically Distressed Areas Program

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(EDAP), the county is eligible to receive EDAP funds, and the colonias served by the center are located within 150 miles of the Texas-Mexico border.

The geographic area served by each self-help center is determined by TDHCA. Five (5) colonias located in each self-help center service area are designated to receive concentrated attention from the center. Each self-help center sets a goal to improve the living conditions of the residents located in the colonias designated for concentrated attention within a two-year period set under the contract terms. TDHCA has the authority to make changes to the colonias designated for this concentrated attention.

The TDHCA grant contract for each self-help center must be executed with the county where the self-help center is located. TDHCA will enter into a Texas Community Development Block Grant Program contract with each affected county. Each county enters into a subcontract with a non-profit community action agency, a public housing authority, or a non-profit organization.

A Colonia Residents Advisory Committee was established and not fewer than five persons who are residents of colonias were selected from the candidates submitted by local nonprofit organizations and the commissioners' court of a county where a self-help center is located. One committee member shall be appointed to represent each of the counties in which a self-help center is located. Each committee member must be a resident of a colonia located in the county the member represents but may not be a board member, contractor, or employee of or have any ownership interest in an entity that is awarded a contract through the Texas Community Development Block Grant Program. The Advisory Committee shall advise TDHCA regarding:

- (1) the needs of colonia residents;
- (2) appropriate and effective programs that are proposed or are operated through the centers;
- and
- (3) activities that may be undertaken through the centers to better serve the needs of colonia residents.

The purpose of each center is to assist low income and very low income individuals and families living in colonias located in the center's designated service area to finance, refinance, construct, improve or maintain a safe, suitable home in the designated service area or in another suitable area. Each self-help center may serve low income and very low income individuals and families by:

- (1) providing assistance in obtaining loans or grants to build a home;
- (2) teaching construction skills necessary to repair or build a home;
- (3) providing model home plans;
- (4) operating a program to rent or provide tools for home construction and improvement for the benefit of property owners in colonias who are building or repairing a residence or installing necessary residential infrastructure;
- (5) helping to obtain, construct, access, or improve the service and utility infrastructure designed to service residences in a colonia, including potable water, wastewater disposal, drainage, streets and utilities;
- (6) surveying or platting residential property that an individual purchased without the benefit of a legal survey, plat, or record;
- (7) providing credit and debt counseling related to home purchase and finance;
- (8) applying for grants and loans to provide housing and other needed community improvements;

- (9) providing other eligible services that the self-help center, with TDHCA approval, determines are necessary to assist colonia residents in improving their physical living conditions, including help in obtaining suitable alternative housing outside of a colonia's area;
- (10) providing assistance in obtaining loans or grants to enable an individual or family to acquire fee simple title to property that originally was purchased under a contract for a deed, contract for sale, or other executory contract;
- (11) monthly programs to educate individuals and families on their rights and responsibilities as property owners; and
- (12) providing access to computers, the internet, and computer training.

A self-help center may not provide grants, financing, or mortgage loan services to purchase, build, rehabilitate, or finance construction or improvements to a home in a colonia if water service and suitable wastewater disposal are not available.

For any award made on or after September 1, 2005, any political subdivision that receives community development block grant program money targeted toward street improvement projects in eligible colonia areas must allocate not less than five percent but not more than 15 percent of the total amount of street improvement money to providing financial assistance to colonias within the political subdivision to enable the installation of adequate street lighting in those colonias if street lighting is absent or needed.

#### **4. Planning And Capacity Building Fund**

This fund is available on a biennial basis to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs). All planning projects awarded under this fund must include a section in the final planning document that addresses drought-related water supply contingency plans and water conservation plans.

#### **5. Disaster Relief/Urgent Need Fund**

Disaster Relief assistance is available through this fund as needed for eligible activities in relief of disaster situations where either the Governor has proclaimed a state disaster declaration or the President has issued a federal disaster declaration. Tx CDBG may prioritize throughout the program year the use of Disaster Relief assistance funds based on the type of assistance or activity under consideration and may allocate funding throughout the program year based on assistance categories. Depending on the nature and extent of the damage caused by the natural disaster, priority for the use of Tx CDBG funds is the restoration of basic human needs such as water and sewer facilities, housing, and roads.

Urgent Need assistance is contingent upon the availability of funds for activities that will restore water or sewer infrastructure whose sudden failure has resulted in death, illness, injury, or pose an imminent threat to life or health within the affected applicant's jurisdiction. The infrastructure failure must not be the result of a lack of maintenance and must be unforeseeable. As an initial step, Tx CDBG undertakes an assessment of whether the situation is reasonably considered unforeseeable. An application for Urgent Need assistance will not be accepted by the Tx CDBG until discussions between the potential applicant and representatives of the Tx CDBG, the Texas Commission on Environmental Quality (TCEQ),

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and the Texas Water Development Board (TWDB) have taken place. Through these discussions, a determination shall be made whether the situation meets Tx CDBG Urgent Need threshold criteria; whether shared financing is possible; whether financing for the necessary improvements is, or is not, available from the TWDB; or that the potential applicant does, or does not, qualify for TWDB assistance. If Tx CDBG funds are still available, a potential applicant that meets these requirements will be invited to submit an application for Urgent Need funds.

#### **To qualify for Disaster Relief funds:**

- The situation addressed by the applicant must be both unanticipated and beyond the control of the local government.
- The problem being addressed must be of recent origin. For Disaster Relief assistance, this means that the application for assistance must be submitted no later than 12 months from the date of the Presidential or Governor's declaration.
- Under Disaster Relief, funds will not be provided under FEMA's Hazard Mitigation Grant Program for buyout projects unless TDRA receives satisfactory evidence that the property to be purchased was not constructed or purchased by the current owner after the property site location was officially mapped and included in a designated flood plain area.
- Each applicant for these funds must demonstrate that adequate local funds are not available, i.e., the entity has less than six months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, or funds from other state or federal sources are not available to completely address the problem.
- Tx CDBG will consider whether funds under an existing Tx CDBG contract are available to be reallocated to address the situation.
- The distribution of these funds will be coordinated with other state agencies.

#### **To qualify for Urgent Need funds:**

- The situation addressed by the applicant must not be related to a proclaimed state disaster declaration or a federal disaster declaration.
- The situation addressed by the applicant must be both unanticipated and beyond the control of the local government (e.g., not for facilities or equipment beyond their normal, useful life span).
- The problem being addressed must be of recent origin. For Urgent Need assistance, this means that the situation first occurred or was first discovered no more than 30 days prior to the date that the potential applicant provides a written request to the Tx CDBG for Urgent Need assistance. The Urgent Need Fund will not fund projects to address a situation that has been known for more than 30 days or should have been known would occur based on the applicant's existing system facilities.
- Each applicant for these funds must demonstrate that local funds or funds from other state or federal sources are not available to completely address the problem.
- The distribution of these funds will be coordinated with other state agencies.
- The infrastructure failure cannot have resulted from a lack of maintenance.
- Urgent Need funds cannot be used to restore infrastructure that has been cited previously for failure to meet minimum state standards.
- The infrastructure failure cannot have been caused by operator error.
- The infrastructure requested by the applicant cannot include back-up or redundant systems.
- Tx CDBG will consider whether funds under an existing Tx CDBG contract are available to be reallocated to address the situation.
- The Urgent Need Fund will not finance temporary solutions to the problem or circumstance.

Construction on an Urgent Need fund project must begin within ninety (90) days from the start date of the Tx CDBG contract. The Tx CDBG reserves the right to deobligate the funds under an Urgent Need Fund contract if the grantee fails to meet this requirement.

Each applicant for Urgent Need funds must provide matching funds. If the applicant's 2000 Census population is equal to or fewer than 1,500 persons, the applicant must provide matching funds equal to 10 percent of the Tx CDBG funds requested. If the applicant's 2000 Census population is over 1,500 persons, the applicant must provide matching funds equal to 20 percent of the Tx CDBG funds requested. For county applications where the beneficiaries of the water or sewer improvements are located in unincorporated areas, the population category for matching funds is based on the number of project beneficiaries.

#### 6. Tx CDBG STEP Fund

Funds will be available for grants on a competitive award basis to cities and counties to provide grant assistance to cities and communities recognizing the need and willingness to solve water and sewer problems through the Texas Small Towns Environment Program (STEP) self-help techniques. The program will accept applications two times a year and utilize a competitive process to evaluate, score and award these projects.

Cities and counties receiving 2009 and 2010 Community Development Fund grant awards for applications that did not include water, sewer, or housing activities are not eligible to receive a 2010 STEP Fund grant award. However, the Tx CDBG will give consideration to a city's or county's request to transfer funds (that are not financing basic human needs activities such as water, sewer, or housing activities) under a 2009 or 2010 Community Development Fund grant award to finance water and sewer activities that will be addressed through self-help.

The Texas STEP approach to solving water and sewer needs recognizes affordability factors related to the construction and operations/maintenance of the necessary water or sewer improvements and then initiates a local focus of control based on the capacity and readiness of the community's residents to solve the problem through self-help. By utilizing the community's own resources (human, material and financial), the necessary water or sewer construction costs, engineering costs, and related administration costs can be reduced significantly from the cost for the installation of the same improvements through conventional construction methods.

Tx CDBG staff will provide guidance, assistance, and support to community leaders and residents willing to use self-help to solve their water and sewer problems.

#### *Eligible Activities*

For the Tx CDBG STEP Fund eligible activities are limited to:

- the installation of facilities to provide first-time water or sewer service
- the installation of water or sewer system improvements
- ancillary repairs related to the installation of water and sewer systems or improvements
- the acquisition of real property related to the installation of water and sewer systems or improvements (easements, rights of way, etc.)
- sewer or water taps and water meters
- water or sewer yard service lines (for low and moderate income persons)
- water or sewer house service connections (for low and moderate income persons)
- plumbing improvements associated with providing water or sewer service to a housing unit
- water or sewer connection fees (for low and moderate income persons)
- rental of equipment for installation of water or sewer
- reasonable associated administrative costs

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- reasonable associated engineering services costs
- Ineligible Activities
- any activity not described in the preceding **ELIGIBLE ACTIVITIES** section is ineligible under the Tx CDBG STEP Fund unless the activity is approved by the Texas Community Development Block Grant Program
- temporary solutions, such as emergency inter-connects that are not used on an on-going basis for supply or treatment and back-ups not required by the regulations of the Texas Commission on Environmental Quality.

The Tx CDBG will not reimburse for force account work for construction activities on the STEP project.

### ***Funding Cycle***

Applications are accepted two times a year for Texas STEP Funding as long as funds are available. Funds will be divided among the two application periods. After all projects are ranked, only those that can be fully funded will be awarded a grant. There will be no marginally funded grant awards.

The Tx CDBG will not accept an application for STEP Fund assistance until Tx CDBG staff and representatives of the potential applicant have evaluated the self-help process and Tx CDBG staff determine that self-help is a feasible method for completion of the water or sewer project, the community is committed to self-help as the means to address the problem, and the community is ready and has the capacity to begin and complete a self-help project. If it is determined that the community meets all of the STEP criteria then an invitation to apply for funds will be extended to the community and the application may be submitted.

### ***Threshold Criteria***

The self-help response to water and sewer needs may not be appropriate in every community. In most cases, the decision by a community to utilize self-help to obtain needed water and sewer facilities is based on the community's realization that it cannot afford even a "no frills" water or sewer system based on the initial construction costs and the operations/maintenance costs (including debt service costs) for water or sewer facilities installed through conventional financing and construction methods.

The following are threshold requirements for the Texas STEP framework. Without all these elements the project will not be considered under the Texas STEP fund:

- 1) one or more sparkplugs (preferably three)—local leaders willing to both lead and sustain the effort;
- 2) readiness—local perception of the problem and the willingness to take action to solve it;
- 3) capacity—manpower including some skills required to solve the problem and operate applicable construction equipment;
- 4) 40% Savings off of retail price; and
- 5) must be performed predominately by community volunteer workers.

To be eligible for additional STEP awards, an applicant must have demonstrated to Tx CDBG management that its existing STEP contracts are currently being implemented on schedule in accordance with the applicable contracts and in accordance with any Tx CDBG-approved allowances.



Upon completion of the project, the award recipient will be required to certify that work was performed predominately by community volunteer workers and a minimum of 40 percent savings off of retail prices was maintained (or the savings percentage specified in the application if greater).

Some of the key points staff will review for these thresholds include but are not limited to the following:

1) one or more sparkplugs (preferably three)—local leaders willing to both lead and sustain the effort;

Leaders that have been identified and agreed on by the community:

- at least two of the three sparkplugs must be residents and not local officials (local officials may serve as sparkplugs)
- one should be detailed enough to maintain the paperwork needed for the project
- one should have some knowledge or skills to lead the self-help effort
- And one can have a combination of these skills or just be the motivator and problem solver of the group
- These are not absolutes but the best scenario for any project.

2) readiness—local perception of the problem and the willingness to take action to solve it:

- a strong local perception of the problem
- community perception that local implementation is the best and maybe only solution
- community has confidence that they can do it adequately
- community has no strong competing priority
- local government is supportive and understands the urgency
- public and private willingness to pay additional costs if needed (fees, hook-ups for churches, other)
- effort and attention have already been given to local assessment of the problem
- enthusiastic, capable support by the community from the county or regional field staff of the regulatory agency

3) capacity—manpower including some skills required to solve the problem:

- Skilled workers within the community (heavy equipment operation, pipe laying, electrician, plumber, engineer, water operator, construction skills)
- List of Volunteers by task
- Possible equipment in community (not a requirement)
- Letters stating support from local businesses in form of donation of supplies or manpower
- Letter from service provider supporting project and agreeing to provide service
- CPA Letter documenting that the applying locality has financial and management capacity to compete project

4) 40% Savings off of retail price.

Documentation of the 40% savings off of the retail price:

- Two engineering break-outs of cost, one that shows the retail construction cost and another that shows the self-help cost and demonstrates the 40% savings
- Back-up documents of material quotes, pledges of equipment
- List of Volunteers by task
- Determination of appropriate technology and feasibility of project. (letter from engineer)

Pilot Program: Renewable Energy Demonstration Pilot Program (Using Deobligated and/or Program Income)

The Tx CDBG will develop a renewable energy pilot program funded solely through deobligated funds / program income for demonstration projects that employ renewable energy for at least 20% of the total

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energy requirements, (excluding the purchase of energy from the electric grid that was produced with renewable energy).

The priority will be for projects that are connected with providing public facilities to meet basic human needs such as water or waste water. It is anticipated that the projects funded would meet the National Objective of benefiting a "target area" where at least 51 percent of the residents are low and moderate income persons, although the project would be allowed to qualify under other National Objective alternatives. The maximum amount of the project would be \$500,000 and the minimum would be \$50,000.

The projects will be selected on the following basis (which are assigned points under Section IV(C)(6) of this Action Plan):

(A) Type of Project: Primarily used in conjunction with providing public facilities to meet basic human needs such as water or waste water and/or benefit to low/moderate-income persons.

(B) Innovative Technology/Methods – A project that would demonstrate the application of innovative technology and/or methods.

(C) Duplication in Other Rural Areas – A project that could have widespread application (although it would not need to be applicable in every portion of the state.)

(D) Long-term Cost/Benefit and Texas Renewable Energy Goals – Projects that demonstrate long term cost/benefit analysis including benefits to the human environment and consistency with Texas renewable energy goals.

(E) Partnership/Collaboration – Projects that have a demonstrated partnership and collaboration with other entities focusing on promoting renewable energy including universities, funding agencies, associations, or businesses.

(F) Leveraging – projects with committed funds from other entities including funding agencies, local governments, or businesses – percent of portion of total project receiving Tx CDBG funds is leveraged with other funds.

(G) Location in Rural Areas – Projects that benefit cities with populations under 10,000 or counties under 100,000.

### C. ALLOCATION OF AVAILABLE FUNDS BY FUND CATEGORY

The amount available for Tx CDBG assistance will be the 2010 State CDBG allocation of \$79,264,729 plus an estimated \$2,500,000 in program income. PY 2010 funds will be allocated according to the following percentages and footnotes:

FUND	2010 PERCENT	AMOUNT AVAILABLE
Community Development Fund	61.71 <sup>65</sup>	
Texas Capital Fund (TCF)	14.51	
Program Income from TCF		\$ 2,000,000 <sup>66</sup>
Colonia Fund		

<sup>65</sup> Allocated to each region based on Section II (B).

<sup>66</sup> Used based on Section II (C) (a)

FUND	2010 PERCENT	AMOUNT AVAILABLE
Colonia Planning and Construction Fund	7.48	
Colonia EDAP Legislative Set-aside	2.52 <sup>67</sup>	
Colonia Self-Help Centers Legislative Set-aside	2.50	
Planning And Capacity Building Fund	0.90	
Disaster Relief/Urgent Need Fund		
Disaster Relief	4.10	
Urgent Need	0 <sup>68</sup>	
Tx CDBG STEP Fund	3.15	
Administration - Percentage	2.00 <sup>69</sup>	
Administration - \$100,000	0.1262	
Technical Assistance	1.00 <sup>70</sup>	
Pilot Programs (Deobligated Funds/Program Income):		
Renewable Energy Demonstration Pilot Program	0 <sup>71</sup>	
Other Program Income:		\$ 500,000

PY 2010 State Allocation- allocated by Fund Category	Percent	Amount
Community Development Fund	61.71%	\$48,914,264
Texas Capital Fund	14.51%	\$11,501,312
Colonia Fund:		
Colonia Planning and Construction Fund	7.48%	\$5,926,473
Colonia EDAP Legislative Set-aside	2.52%	\$2,000,000
Colonia Self-Help Centers Legislative Set-aside	2.5%	\$1,981,618
Planning and Capacity Building Fund	0.90%	\$713,383
Disaster Relief/Urgent Need Fund:		
Disaster Relief Fund	4.10%	\$3,249,854
Tx CDBG STEP Fund	3.15%	\$2,499,883
Administration *	2.00%	\$1,585,295
Administration-\$100,000	0.1262%	\$100,000
Technical Assistance *	1.00%	\$792,647
<b>TOTAL</b>	<b>100.00%</b>	<b>\$79,264,729</b>

<sup>67</sup> May be transferred for other projects benefiting Colonias if there are an insufficient number of EDAP-eligible projects ready for CEDAP connection funding

<sup>68</sup> Deobligated funds and/or program income sufficient to replenish to \$1,000,000 is made available for the Urgent Need Fund on the first day of PY 2010. Based on a Tx CDBG Program determination of respective demand for financial assistance under the Urgent Need and Disaster Relief portions of the Disaster Relief/Urgent Need Fund, Urgent Need funds may be used for Disaster Relief projects.

<sup>69</sup> Fungible – May be adjusted per statutory CDBG rules.

<sup>70</sup> Fungible – May be adjusted per statutory CDBG rules.

<sup>71</sup> Deobligated funds and/or program income of \$500,000 is made available on the first day of PY 2010.

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\* Fungible - up to 3%

#### **Summary of Activities That Utilize 1% Technical Assistance Funding Technical Assistance Performed Through the Community Development Program**

The Texas Community Development Block Grant Program will conduct numerous on-site technical assistance visits funded with the one percent technical assistance (1% TA) set-aside approved by HUD. These visits will be conducted throughout the year when the Tx CDBG staff recognizes that assistance is needed at the local level or when assistance is requested by the grantees.

Deobligated funds/program income notes:

Tx CDBG Community Development staff, including TDRA field office staff, will visit localities that are preliminarily recommended for funding to verify information provided in the applications, to view the project sites, to distribute Project Implementation Manuals, and to provide technical assistance regarding the initial Tx CDBG project implementation procedures.

Other technical assistance visits will be conducted with 1% TA funds for special cases dealing with investigations, compliance issues, and to help contractor localities comply with all program requirements.

The 1% TA funds are utilized for a portion of staff salaries which allows Tx CDBG staff to provide greater one-on-one technical assistance to the small communities throughout the contract period.

The Texas Department of Agriculture is using 1% technical assistance funds for on-site technical assistance on the Texas Capital Fund program.

The Texas Department of Housing and Community Affairs is using 1% technical assistance funds for on-site technical assistance on the Colonia Self-Help Centers program.

The Tx CDBG is utilizing the 1% technical assistance funds to introduce, facilitate, and provide community access to the Texas Small Towns Environment Program (Texas STEP) which targets water and wastewater needs. Staff visits localities that are interested in utilizing the Texas STEP method of self-help and provides technical assistance on the development of a financial framework, managing a self-help project and building capacity within a community through self-help.

The Tx CDBG may utilize the 1% technical assistance funds to support Tx CDBG activities related to TDRA's disaster relief efforts. State efforts for response to disasters and the mitigation of the consequences of disasters have required that TDRA dedicate considerable resources for disaster recovery efforts.

In 2010, the Tx CDBG will use a portion of the 1% technical assistance to provide outreach information regarding the CDBG program to local officials of non-entitlement cities and counties. The technical assistance will include information on the application process, program administration, and to improve their capacity to implement a CDBG program.

The 1% technical assistance funds will also be used by each of the 24 State Planning Regions to provide non-project specific technical assistance to cities and counties that are eligible for Tx CDBG funds in each region.

The 1% technical assistance funds may be used to support the operations of the border colonia technical assistance field offices.

The 1% technical assistance funds may be used to support the operations of TDRA' technical assistance field offices in West Texas, South Texas, and East Texas and other TDRA Community Development-related field office activities.

*Deobligated Funds, Unobligated Funds, and Program Income*

(a) Deobligated funds, unobligated funds and program income generated by Texas Capital Fund projects shall be retained for expenditure in accordance with the Consolidated Plan. Program income derived from Texas Capital Fund projects will be used by the Tx CDBG for eligible Texas Community Development Block Grant Program activities in accordance with the Consolidated Plan.

Any deobligated funds, unobligated funds, program income, and unused funds from this year's allocation or from previous years' allocations derived from any Texas Community Development Block Grant Program

Fund, including program income recovered from Texas Capital Fund local revolving loan funds, and any reallocated funds which HUD has recaptured from Small Cities may be redistributed among the established 2010 program year fund categories, for otherwise eligible projects. The selection of eligible projects to receive such funds is approved by the Executive Director and the TDRA Board on a priority needs basis with eligible disaster relief and urgent need projects as the highest priority, followed by, established priority uses within existing fund categories or programs, any awards necessary to resolve appeals under fund categories covered by Texas Administrative Code at 10 T.A.C., Part 6, Chapter 255.1(g), TCF projects, special needs projects, projects in colonias, housing activities, and other projects as determined by the Executive Director of TDRA. Other purposes or initiatives may be established as a priority use of such funds within existing fund categories or programs by the TDRA Board.

If a portion of the State's 2010 Community Development Block Grant allocation is rescinded by the federal government, the Tx CDBG may make corresponding changes within the fund allocation percentages as required.

(b) Re-distribution of Funds Recaptured from Withdrawn Awards. Should the applicant fail to substantiate or maintain the claims and statements made in the application upon which the award is based, including failure to maintain compliance with application thresholds in Section III, F.(1) through F.(4), within a period ending 90 days after the date of the Tx CDBG's award letter to the applicant, the award will be immediately withdrawn by the Tx CDBG (excluding the colonia self-help center awards). Should the applicant fail to execute the Tx CDBG's award contract (excluding Texas Capital Fund and colonia self-help center contracts) within 60 days from the date of the letter transmitting the award contract to the applicant, the award will be withdrawn by the Tx CDBG. For an award that is withdrawn from an application, the Tx CDBG follows different procedures for the use of those recaptured funds depending on the fund category where the award is withdrawn.

(1) Funds recaptured under the Community Development Fund from the withdrawal of an award made from the first year of the biennial funding are offered to the next highest ranked applicant from that region that was not recommended to receive an award from the first year regional allocation. Funds recaptured under the Community Development Fund from the withdrawal of an award made from the

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second year of the biennial funding are offered to the next highest ranked applicant from that region that was not recommended to receive full funding (the applicant recommended to receive marginal funding) from the second year regional allocation. Any funds remaining from the second year regional allocation after full funding is accepted by the second year marginal applicant are offered to the next highest ranked applicant from the region as long as the amount of funds still available exceeds the minimum Community Development Fund grant amount. Any funds remaining from the second year regional allocation that are not accepted by an applicant from the region or that are not offered to an applicant from the region may be used for other Tx CDBG fund categories and, if unallocated to another fund, are then subject to the procedures described in paragraph (a) of this section.

(2) For the Community Development Fund, if there are no remaining unfunded eligible applications in the region from the same biennial application period to receive the withdrawn funding, then the withdrawn funds may be used for other Tx CDBG fund categories and, if unallocated to another fund, are considered as deobligated funds, subject to the procedures described in paragraph (a) of this section.

(3) Funds recaptured under the Planning and Capacity Building Fund from the withdrawal of an award made from the first year of the biennial funding are offered to the next highest ranked applicant from that statewide competition that was not recommended to receive an award from the first year allocation. Funds recaptured under the Planning and Capacity Building Fund from the withdrawal of an award made from the second year of the biennial funding are offered to the next highest ranked applicant from that statewide competition that was not recommended to receive full funding (the applicant recommended to receive marginal funding) from the second year allocation. Any funds remaining from the second year allocation after full funding is accepted by the second year marginal applicant are offered to the next highest ranked applicant from the statewide competition. Any funds remaining from the second year allocation that are not accepted by an applicant from the statewide competition or that are not offered to an applicant from the statewide competition may be used for other Tx CDBG fund categories and, if unallocated to another fund, are then subject to the procedures described in paragraph (a) of this section.

(4) Funds recaptured under the Colonia Planning and Construction Fund from the withdrawal of an award remain available to potential Colonia Program Fund applicants during that program year to meet the 10 percent colonia set-aside requirement and, if unallocated within the colonia fund, may be used for other Tx CDBG fund categories. Remaining unallocated funds are then subject to the procedures described in paragraph (a) of this section.

(5) Funds recaptured under the Colonia Economically Distressed Areas Program Legislative Set-Aside from the withdrawal of an award remain available to potential Colonia Economically Distressed Areas program set-aside applicants during that program year. Any funds remaining from the program year allocation that are not used to fund Colonia Economically Distressed Areas Program set-aside applications within twelve months after the Tx CDBG receives the federal letter of credit would remain available to potential Colonia Program Fund applicants during that program year to meet the 10 percent colonia set-aside requirement and, if unallocated within the colonia fund, may be used for other Tx CDBG fund categories. Remaining unallocated funds are then subject to the procedures described in paragraph (a) of this section.

(7) Funds recaptured under the program year allocation for the Disaster Relief/Urgent Need Fund from the withdrawal of an award are subject to the procedures described in paragraph (a) of this section.

(8) Funds recaptured under the Small Towns Environment Program (STEP) Fund from the withdrawal of an award will be made available in the next round of STEP competition following the withdraw date in the same program year. If the withdrawn award had been made in the last of the two competitions in a program year, the funds would go to the next highest scoring applicant in the same STEP competition. If there are no unfunded STEP applicants, then the funds would be available for other Tx CDBG fund categories. Any unallocated STEP funds are subject to the procedures described in paragraph (a) of this section.

(9) Funds recaptured under the Texas Capital Fund from the withdrawal of an award are subject to the procedures described in paragraph (a) of this section.

#### **D. PROGRAM INCOME**

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

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

Program income includes, but is not limited to, the following:

- Payments of principal and interest on loans using CDBG funds
- Proceeds from the sale of loans made with CDBG funds
- Gross income from the use or rental of real or personal property acquired by the unit of general local government or a subrecipient with CDBG funds
- Gross income from the use, sale, or rental of real property and/or real property improvements owned by the unit of general local government or subrecipient that was constructed or improved with CDBG funds
- Gross income from the use of infrastructure improvements constructed or improved with CDBG funds
- Funds collected through special assessments, impact fees or other additional fees from benefiting businesses, if the special assessments or fees are used to recover all or part of the CDBG portion of public improvements
- Proceeds from the disposition of equipment purchased with CDBG funds
- Interest earned on funds held in an RLF account

##### **1. Texas Capital Fund Program Income**

For program income generated through Texas Capital Fund projects, communities that elect to participate in the recapture of program income for use at the local level through a designated Revolving Loan Fund (RLF) will be limited to receiving one Texas Capital Fund contract award per program year. If a community elects not to participate in the recapture of program income, the community may apply for

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as many Texas Capital Fund awards as it has eligible projects. This determination must be made at the time of the original award and cannot be changed with subsequent awards.

A local government, electing to retain program income at the local level, must have a Revolving Loan Fund Plan (RLFP) approved in writing by the Tx CDBG, prior to committing and expending any program income. The RLFP shall be approved and must be used for economic development in accordance with Title I of the United States Housing and Community Development Act of 1974, as amended. The RLFP must be submitted for approval no later than six (6) months from the commencement date of the contract. Program income generated by the award prior to the Tx CDBG approval of an RLFP must be returned to the State.

Funds retained in the local RLF must be committed within three years of the original Tx CDBG contract programmatic close date. Every award from the RLF must be used to fund the same type of activity, for the same business, from which such income is derived. A local Revolving Loan Fund (RLF) may retain a cash balance not greater than 33 percent of its total cash and outstanding loan balance. If the local government does not comply with the local RLF requirements, all program income retained in the local RLF and any future program income received from the proceeds of the RLF must be returned to the State.

Communities electing to retain program income through an approved RLF are required to monitor and report to the State program income account balances reflecting amounts received and disbursed and the status of outstanding loans or leases. Such report should also include information regarding RLF loans, leases, and commitments made.

If the local government elects not to participate in program income recapture, fails to meet all requirements of this section or requirements identified in Section 6 of its TCF/Tx CDBG contract or an RLFP is not submitted for approval within the first six (6) months from the commencement date of the contract, then all program income must be returned to the state. This section, "Texas Capital Fund Program Income," replaces the Texas Capital Fund Program Income Sections of the Final Statements for program years 1989, 1990, 1991, 1992, 1993, 1994, and 1995 and affects all TCF local revolving loan funds established by contracts awarded in program years 1989, 1990, 1991, 1992, 1993, 1994, and 1995. The following provisions, however, do not apply: 1) "The RLFP must be submitted for approval no later than six (6) months from the commencement date of the contract. Program income generated by the award prior to Tx CDBG approval of an RLFP must be returned to the State." 2) "...every award from the RLF must be used to fund the same type of activity, for the same business, from which such income is derived." 3) "...contract or an RLFP is not submitted for approval within the first six (6) months from the commencement date of the contract, then all program income must be returned to the state."

### **2. *Program Income Generated Through Housing Activities***

For program income generated through housing activities funded through the Housing Fund or Tx CDBG fund categories other than the Texas Capital Fund, a local government, electing to retain program income at the local level, must have a Revolving Loan Fund Plan (RLFP) approved in writing by the Tx CDBG, prior to committing and expending any program income. The RLFP shall be approved and must be used for housing activities principally benefiting low to moderate income persons in accordance with Title I of the United States Housing and Community Development Act of 1974, as amended.



The RLFP must be submitted for approval at least sixty (60) days prior to the termination date of the contract award generating the program income. This requirement shall also apply to 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, and 2004 Housing Fund contract awards. Program income generated by the contract award prior to Tx CDBG approval of an RLFP must be returned to the State.

Funds retained in the local RLF must be committed within three years of the original Tx CDBG contract programmatic close date. A local Revolving Loan Fund (RLF) may retain a cash balance not greater than 33 percent of its total cash and outstanding loan balance. If the local government does not comply with the local RLF requirements, all program income retained in the local RLF and any future program income received from the proceeds of the RLF must be returned to the State.

Communities electing to retain program income through an approved RLF are required to monitor and report the amount of program income recaptured to the state with updates concerning the status of outstanding loans or leases on a quarterly basis, including but not limited to payments received and amendments to the original loan or lease agreement, as required by the Tx CDBG.

If the local government elects not to participate in program income recapture or an RLFP is not approved prior to the contract close-out, then all program income must be returned to the Tx CDBG.

### **III. APPLICATION INFORMATION**

#### **A. TYPES AND NUMBER OF APPLICATIONS**

The following two types of applications are permitted under the Texas Community Development Block Grant Program:

##### **1. *Single Jurisdiction Applications***

An eligible applicant may submit one application on its own behalf. When certain situations exist, which will be defined in Tx CDBG application guides, an eligible city may submit an application which benefits persons residing inside of the extraterritorial jurisdiction of the city, and a county may submit a single jurisdiction application on behalf of a city. The submitting city or county is accountable to the Tx CDBG for financial compliance and program performance. If a city or county submits a single jurisdiction application, or its residents are the beneficiaries of a single jurisdiction application, then the city or county cannot participate in another single jurisdiction or multi-jurisdiction application for the same funding category. Local accountability cannot be assigned to another party.

An application from an eligible city or county for a project that would primarily benefit another city or county that was not meeting the Tx CDBG application threshold requirements would be considered ineligible.

##### **2. *Multi-Jurisdiction Applications***

Multi-Jurisdiction applications will be accepted from two or more eligible units of general local government where the application clearly demonstrates that the proposed activities will mutually benefit the residents of the city(ies)/county(ies) applying for such funds. One of the participating units of general local government must be designated to act as the authorized applicant for the multi-jurisdiction application and the authorized applicant is accountable to the Tx CDBG for financial

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compliance and program performance; however, all entities participating in the multi-jurisdiction application will be accountable for application threshold compliance. A multi-jurisdiction application generally cannot be submitted solely on the basis of administrative convenience. Any city or county participating in a multi-jurisdiction application may not submit a single jurisdiction application for the same funding category.

Under the Community Development Fund regional competitions, a multi-jurisdiction application that includes participating units of general local government from more than one state planning region will compete in the regional competition where the majority of the application activity beneficiaries are located.

### ***B. APPLICATION CYCLES***

Based on the support from cities and counties for previous biennial funding cycles, applications for the Community Development, Colonia Planning and Construction Fund, and Planning and Capacity Building Fund will be accepted on a biennial basis. The biennial funding cycles for these fund categories will improve the timeliness of the expenditure of CDBG funds and therefore prove more cost effective.

The following table summarizes the proposed frequency of application submission for various application types. The application deadline dates are subject to change:

TYPE OF APPLICATION	SUBMISSION CYCLE	APPLICATION DEADLINE
1. Community Development Fund	Biennial <sup>1</sup>	<b>December 12, 2008 in 21 regions and February 20, 2009 in 3 regions</b>
2. Texas Capital Fund		
Real Estate Program	Continuous	
Infrastructure Program	Continuous	
Main Street Program	Annually	
Downtown Revitalization Program	Annually	
3. Colonia Fund:		
Planning and Construction Fund	Biennial	<b>March 27, 2009</b>
EDAP Set-aside	As-needed	
4. Planning/Capacity Building Fund	Biennial <sup>1</sup>	<b>December 12, 2008 in 21 regions and February 20, 2009 in 3 regions</b>
5. Disaster Relief/Urgent Need Fund:		
Disaster Relief	As needed	
Urgent Need <sup>2</sup>	By notification	
6. Tx CDBG STEP Fund	Two times annually	
Renewable Energy Demonstration Pilot Program	As announced, at least once annually.	

- 1 The applications submitted for the program year 2010 Community Development Fund and Planning and Capacity Building Fund as part of the 2009/2010 biennial application process will be scored and ranked. Applications will be funded to the extent that allocated 2010 funds are available. Applications submitted for the Colonia Planning and Construction Fund will be scored and ranked. The final 2009 program year rankings under the Community Development Fund, Planning and Capacity Building Fund, Colonia Planning and Construction Fund will be used to determine the 2009 applicants that are selected for funding from the 2010 program year allocations. Only one application may be submitted for the combined 2009 program year and 2010 program year period under the Community Development Fund, Colonia Construction component, Colonia Planning component, and the Planning and Capacity Building Fund.

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#### C. CONTRACT AWARDS

With the qualified exceptions of the Texas Capital Fund, Colonia Fund, and Disaster Relief/Urgent Need Fund, an applicant is eligible to receive only one grant award per fund. Maximum and minimum contract awards for any single project allowable under the Texas Community Development Block Grant Program are:

#### CONTRACT AWARD

FUND	MAXIMUM	MINIMUM
<b>Community Development Fund</b>		
Single Applicant	\$ 800,000 <sup>1</sup>	\$ 75,000 <sup>1</sup>
Multi-Jurisdiction Application	\$ 800,000 <sup>1</sup>	\$ 75,000 <sup>1</sup>
<b>Texas Capital Fund</b>		
Real Estate Program	\$ 750,000 <sup>2</sup>	\$ 50,000
Infrastructure Program	\$ 750,000 <sup>2</sup>	\$ 50,000
Main Street Program	\$ 150,000 <sup>3</sup>	\$ 50,000
Downtown Revitalization Program	\$ 150,000 <sup>3</sup>	\$ 50,000
<b>Colonia Fund</b>		
Construction Fund Component	\$ 500,000	\$ 75,000
EDAP Set-aside	\$ 500,000	None
Area Planning Component	\$ 100,000 <sup>4</sup>	None
Comprehensive Planning Component	\$ 200,000 <sup>4</sup>	None
<b>Planning/Capacity Building Fund</b>	\$ 50,000	None
<b>Disaster Relief/Urgent Need Fund</b>		
Disaster Relief Fund	\$ 350,000	\$ 50,000
Urgent Need Fund	\$ 250,000	\$ 25,000
<b>Tx CDBG STEP Fund</b>	\$ 350,000	None
<i>Renewable Energy Demonstration Pilot</i>	\$ 500,000	\$ 50,000

- 1 Regional Review Committees are authorized to establish a grant maximum for their respective regions between \$250,000 and \$800,000 for a single jurisdiction application and between \$350,000 and \$800,000 for a multi-jurisdiction application. The maximum amount for a housing or non-border colonia priority activity application is the same as other Community Development Fund applications in the region.
- 2 The maximum contract award amount allows for administrative costs as outlined in the Texas Capital Fund Application Guidelines. The maximum award amount may be increased to an amount greater than \$750,000, but may not exceed \$1,000,000, if a unit of local government is applying for an award to provide infrastructure or real estate development improvements on behalf of a specific business, and that specific business will create or retain a designated number of jobs at a cost per job level that qualifies for the increased award amount. These increased award amounts are referred to as “jumbo” awards. The number of jobs, the cost per job, and the maximum percentage of Texas Capital Fund financing of the total project costs that will qualify an application for the increased award amount will be defined in Texas Capital Fund Application Guidelines. Texas Capital Funds are not specifically reserved for projects that could receive up to the \$1,000,000 increased maximum grant amount, however, projects that receive an amount greater than \$750,000 may not exceed \$2,000,000 in total awards during the program year.

- 3 Texas Capital Funds are specifically reserved for Main Street and the Downtown Revitalization infrastructure activities. The maximum award amount for a Main Street or Downtown Revitalization project is \$150,000. Main Street Program projects may not exceed \$600,000 in total awards. The Downtown Revitalization Program projects may not exceed \$1,200,000 in total awards.
- 4 The maximum grant award for the Colonia Comprehensive Planning component is set at \$200,000. However, a sliding scale may be used to establish smaller maximum grant amounts based on an eligible county's total unincorporated area population.

Amounts shown are maximum funding levels or contract "ceilings," since the Program can fund only the actual, allowable, and reasonable costs of the proposed project, not to exceed these amounts. All grants, except Texas Capital Fund, awarded under the Texas Community Development Block Grant Program are subject to negotiation between TDRA and the applicant regarding the final grant amount. Texas Capital Fund applications are subject to negotiation between the Texas Department of Agriculture and the applicant regarding the final award amount.

#### **D. PROJECT LENGTH**

All funded projects, except the Texas Capital Fund and Colonia Self-Help Centers Fund projects, must be completed within two years from the start date of the contract agreement. STEP contracts for awards made in PY 2010 will continue to be for a twenty-four (24) month term with no automatic extension to 36 months, which is the same as PY 2009 STEP awards. The Texas Capital Fund Main Street and Downtown Revitalization program awards will be made for a twenty-four (24) month term. The other Texas Capital Fund programs must be completed within three years from the start date of the contract agreement. Contract end dates for Colonia Self-Help Center contracts may be adjusted to account for each program year award. Waivers through a contract amendment of these requirements for any Tx CDBG contract will only be granted when a waiver request is submitted in writing to TDRA or TDA (for Texas Capital Fund contracts) and TDRA or TDA finds that compelling circumstances exist outside the control of the local government that justify the approval of such a waiver.

#### **E. REVIEW PROCESS**

##### **1. Regional Review Committees (RRC) - Composition**

There is a Regional Community Development Review Committee in each of the 24 state planning regions. Each committee will be comprised of 12 members appointed at the pleasure of the Governor.

The Regional Review Committees may review and comment on applications to other Tx CDBG fund categories.

##### **2. Texas Capital Fund Review Process**

The Texas Capital Fund applications will be reviewed and evaluated by Texas Department of Agriculture staff in accordance with the established selection criteria. Recommendations will be made to the Commissioner of the Texas Department of Agriculture for final award.

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#### **3. Clearinghouse Review**

Regional review of projects will be consistent with guidelines adopted by the Governor's Office for review and comment under the Texas Review and Comment System and Chapter 391, Texas Local Government Code.

#### **4. Regional Water Plans**

Water activities included in Tx CDBG applications must be consistent with Regional Water Plans promulgated in accordance with Section 16.053, Water Code.

#### **F. APPLICANT THRESHOLD AND PAST PERFORMANCE REQUIREMENTS**

A city or county must meet the following requirements in order to submit an application or to receive funding through the Texas Community Development Block Grant Program:

1. Demonstrate the ability to manage and administer the proposed project, including meeting all proposed benefits outlined in its application, by using the following criteria:
  - a. Provide the roles and responsibilities of local staff designated to administer or work on the proposed project. Also, include a plan of project implementation;
  - b. Indicate intention to use a third-party administrator, if applicable;
  - c. If local staff, along with a third-party administrator, will jointly administer the proposed project, the respective roles and responsibilities of the designated local staff; or
  - d. Tx CDBG management may determine that an applicant has or does not have the capacity to manage and administer the proposed project based on an applicant's prior performance on a Tx CDBG contract.
2. Demonstrate the financial management capacity to operate and maintain any improvements made in conjunction with the proposed project, by using the following criteria:
  - a. Evidence of a financial person on staff, or evidence of intent to contract financial oversight;
  - b. Provide evidence or a statement certifying that financial records for the proposed project will be kept at an officially designated city/county site, accessible by the public, and will be adequately managed on a timely basis using generally accepted accounting principles; and/or
  - c. Tx CDBG management may determine that an applicant has or does not have the financial management capacity to operate and maintain any improvements made in conjunction with the proposed project based on a review of audited financial records, current financial status, or current financial management of a Tx CDBG contract.
3. Levy a local property (ad valorem) tax or local sales tax option.
4. Demonstrate satisfactory performance on all previously awarded Texas Community Development Block Grant Program contracts, by using the following criteria:
  - a. Exhibited past responses to audit and monitoring issues (over the most recent 48 months before the application due date) within prescribed times as indicated in TDRA's resolution letter(s);
  - b. Evidence related to past contracts (over the most recent 48 months before the application due date), through close-out monitoring and reporting, that the activity or service was made available to all intended beneficiaries, that low and moderate income persons were provided

- access to the service, or there has been adequate resolution of issues regarding beneficiaries served.
- c. No outstanding delinquent response to a written request from Tx CDBG regarding a request for repayment of funds to Tx CDBG; or
  - d. Not more than one outstanding delinquent response to a written request from Tx CDBG regarding compliance issues such as a request for closeout documents or any other required information.
5. Resolve any and all outstanding compliance and audit findings on previous and existing Texas Community Development Block Grant Program contracts, by using the following criteria:
- a. Applicant is actively participating in the resolution of any outstanding audit and/or monitoring issues by responding with substantial progress on outstanding issues within the time specified in the TDRA resolution process.
6. Submit any past due audit to TDRA in accordance with Title 10, Chapter 255, Subchapter A, Section 255.1 of the Texas Administrative Code.
- a. community with one year's delinquent audit may be eligible to submit an application for funding by the established deadline, but the TX CDBG may withhold the award or issuance of a contract until it receives a satisfactory audit.  
The Colonia Self-Help Center Fund and the Disaster Relief/Urgent Need Fund are exempt from the threshold.
  - b. A community with two years of delinquent audits may not apply for additional funding and may not receive a contract award. This applies to all funding categories under the Texas Community Development Block Grant Program.  
The Colonia Self-Help Center Fund may be exempt from this threshold, since funds for the self-help center funding is included in the program's state budget appropriation. Failure to meet the threshold will be reported to the Texas Department of Housing and Community Affairs for review and recommendation.
  - c. If an audit becomes due after the award date, the Office may withhold the issuance of a contract until it receives a satisfactory audit. If a satisfactory audit is not received by the Office within four months of the audit due date, the Office may withdraw the award and re-allocate the funds in accordance with Section II(C)(b) (excludes the colonia self-help center awards and Texas Capital Fund awards).

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#### 7. 12-Month Applicant Threshold Requirement

Obligate at least fifty percent (50%) of the total Tx CDBG funds awarded under an open Tx CDBG contract within twelve (12) months from the start date of the contract or prior to the application deadlines and have received all applicable environmental approvals from Tx CDBG covering this obligation. This threshold is applicable to Tx CDBG contracts with an original 24-month contract period.

To meet this threshold, 50% of the Tx CDBG funds must be obligated through executed contracts for administrative services, engineering services, acquisition, construction, materials purchase, etc. The Tx CDBG contract activities do not have to be 50% completed, nor do 50% of the Tx CDBG contract funds have to be expended to meet this threshold.

<b>Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories</b>	<b>Not Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories</b>
Community Development Fund	Texas Capital Fund
Community Development Supplemental Fund	Colonia Self-Help Centers Fund
Colonia Construction Fund	Housing Rehabilitation Fund
Colonia Fund Planning	Housing Infrastructure Fund
Disaster Relief / Urgent Need Fund	Texas STEP
Planning/Capacity Building Fund	Colonia Economically Distressed Areas
Non-Border Colonia Fund	Disaster Recovery Initiative
Texas STEP (except for STEP contracts awarded prior to PY 2010)	<i>Young vs. Martinez</i>
	Microenterprise Loan Fund
	Small Business Loan Fund

This threshold is not applicable when an applicant meets the eligibility criteria for the Tx CDBG Disaster Relief Fund or for the Renewable Energy Demonstration Pilot Program

#### 8. 24-Month Applicant Threshold Requirement

Submit to TDRA the Certificate of Expenditures (COE) report showing the expended Tx CDBG funds and a final drawdown for any remaining Tx CDBG funds as required by the latest edition of the Texas Community Development Block Grant Program Project Implementation Manual. Any reserved funds on the COE must be approved in writing by Tx CDBG staff.

For purposes of meeting this threshold “expended” means that the construction and services covered by the Tx CDBG funds are complete and a drawdown for the Tx CDBG funds has been submitted prior to the application deadlines.

This threshold will apply to an open Tx CDBG contract with an original 24-month contract period and to Tx CDBG Contractors that have reached the end of the 24-month period prior to the application deadlines as described on the next page:



<b>Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories</b>	<b>Not Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories</b>
Community Development Fund	Texas Capital Fund
Community Development Supplemental Fund	Colonia Self-Help Centers Fund
Colonia Construction Fund	Housing Rehabilitation Fund
Colonia Fund Planning	Housing Infrastructure Fund
Disaster Relief / Urgent Need Fund	Texas STEP (original 24-month contract, extended to 36-months) awarded prior to PY 2009
Planning/Capacity Building Fund	Colonia Economically Distressed Areas
Non-Border Colonia Fund	Disaster Recovery Initiative
Texas STEP (except for STEP contracts awarded prior to PY 2009)	<i>Young vs. Martinez</i>
	Microenterprise Loan Fund
	Small Business Loan Fund
	Renewable Energy Demonstration Pilot Program

This threshold is not applicable when an applicant meets the eligibility criteria for the Tx CDBG Disaster Relief Fund.

#### 9. 36-Month Applicant Threshold Requirement

Submit to TDRA the Certificate of Expenditures (COE) report showing the expended Tx CDBG funds and a final drawdown for any remaining Tx CDBG funds as required by the latest edition of the Texas Community Development Block Grant Program Project Implementation Manual. Any reserved funds on the COE must be approved in writing by Tx CDBG staff.

For purposes of meeting this threshold “expended” means that the construction and services covered by the Tx CDBG funds are complete and a drawdown for the Tx CDBG funds has been submitted prior to the application deadlines.

This threshold is applicable for a previously awarded Tx CDBG contract with an original 36-month contract period or a STEP 24-month contract, extended to 36 months, and to Tx CDBG Contractors that have reached the end of the 36-month period prior to the application deadlines as described on the next page:

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<b>Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories</b>	<b>Not Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories</b>
Texas STEP (original 36-month contract or original 24-month contract, extended to 36 months)	Texas Capital Fund (see Texas Capital Fund Section)
	Colonia Self-Help Centers Fund
	Housing Rehabilitation Fund
	Colonia Economically Distressed Areas
	Disaster Recovery Initiative
	<i>Young vs. Martinez</i>
	Microenterprise Loan Fund
	Small Business Loan Fund
	Renewable Energy Demonstration Pilot Program

This threshold is not applicable when an applicant meets the eligibility criteria for the Tx CDBG Disaster Relief Fund.

10. Tx CDBG funds cannot be expended in any county that is designated as eligible for the Texas Water Development Board Economically Distressed Areas Program unless the county has adopted and is enforcing the Model Subdivision Rules established pursuant to Section 16.343 of the Water Code.
11. Texas Capital Fund contractors must expend all but the reserved audit funds, or other reserved funds that are pre-approved by Texas Department of Agriculture staff, awarded under a Texas Capital Fund contract executed at least 36 months prior to the current program year application deadline and submit to the Texas Department of Agriculture the Certificate of Expenditures required by the most recent edition of the Texas Capital Fund Implementation Manual. Texas Capital Fund contractors intending to submit a new application may not have an existing contract with an award date in excess of 48 months prior to the application deadline date, regardless of extensions granted.
12. Based on a pattern of unsatisfactory (a.) performance on previously awarded Texas Community Development Block Grant Program contracts, (b.) management and administration of Tx CDBG contracts, or (c) financial management capacity based on a review of official financial records and audits, TDRA (or TDA, in the case of the Texas Capital Fund applications) may determine that an applicant is ineligible to apply for Tx CDBG funding even though at the application date it meets the threshold and past performance requirements. TDRA (or TDA, in the case of Texas Capital Fund applications) will consider the most recent 48 months before the application due date. An applicant would still remain eligible for funding under the Disaster Fund.

#### **G. ADMINISTRATION OF Tx CDBG CONTRACTS**

In order to administer a Tx CDBG contract awarded in PY 2010, the administrator (contracted administrators on behalf of the client community or the city or county staff of self-administering award recipients) must attend, and retain the completion certificate, from the most recent cycle of Tx CDBG Project Implementation Manual workshops. (This requirement excludes Texas Capital Fund and Colonia Self-Help Center Set-aside contracts.) The Tx CDBG contract recipient (city or county) is strongly encouraged to attend the Tx CDBG Project Implementation Workshops even if it anticipates using an outside firm to provide it with contract administration services.

The Tx CDBG is under no obligation to approve any changes in a performance statement of a Tx CDBG contract that would result in a program year score lower than originally used to make the award if the lower score would have initially caused that project to be denied funding. This does not apply to colonia self-help centers or the Texas Capital Fund.

### **IV. APPLICATION SELECTION CRITERIA**

#### **A. GENERAL DESCRIPTION**

The scoring criteria used in the Tx CDBG are described in Section C below.

The points awarded under these criteria are combined to rank the projects in descending order. The projects in each fund are selected based on this descending order and the availability of dollars in each fund.

Texas Capital Fund Real Estate Program, and Infrastructure Program projects are evaluated based upon selection criteria that include, but are not limited to:

- (1) Jobs
- (2) Business Emphasis
- (3) Feasibility
- (4) Community Need

Texas Capital Fund Main Street Program and Downtown Revitalization Program projects are evaluated based upon selection criteria that include, but are not limited to:

- (1) Community Profile
- (2) Project Feasibility
- (3) Leverage Ratio
- (4) Aiding in the Elimination of Slum and/or Blight Conditions

Except for Main Street Program applications, Texas Capital Fund applications are reviewed and evaluated by Texas Department of Agriculture staff. The Texas Department of Agriculture staff and the Texas Historical Commission review and evaluate the Main Street Program applications. Recommendations for all Texas Capital Fund applications will be made to the Commissioner of the Texas Department of Agriculture for final award.

In accordance with Section 2310.403, Government Code, preference will be given to applications from governing bodies of communities designated as defense economic readjustment zones over other eligible applications for Tx CDBG grants and loans if at least fifty percent (50%) of the grant or loan will

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be expended for the direct benefit of the readjustment zone and the purpose of the grant or loan is to promote Tx CDBG-eligible economic development in the community or for Tx CDBG-eligible construction, improvement, extension, repair, or maintenance of Tx CDBG-eligible public facilities in the community.

**Disaster Relief/Urgent Need applications must meet the threshold factors as discussed under the "Description of Funds" section.**

**Readiness to Proceed Requirements:** In order to determine that the project is ready to proceed, the applicant must provide in its application information that:

- a. Identifies the source of matching funds and provides evidence that the applicant has applied for the non-local matching funds, and for local matching funds, evidence that local matching funds would be available.
- b. Provides written evidence of a ratified, legally binding agreement, contingent upon award, between the applicant and the utility that will operate the project for the continual operation of the utility system as proposed in the application. For utility projects that require the applicant or service provider to obtain a Certificate of Convenience and Necessity for the target area proposed in the application, provides written evidence that the Texas Commission on Environmental Quality has received the applicant or service provider's application.
- c. Where applicable, provide a written commitment from service providers, such as the local water or sewer utility, stating that they will provide the intended services to the project area if the project is constructed.

Any applicant's cash match included in the Tx CDBG contract budget may not be obtained from any person or entity that provides contracted professional or construction-related services (other than utility providers) to the applicant to accomplish the purposes described in the Tx CDBG contract, in accordance with 24 CFR Part 570.

### ***B. RESOURCES FOR DESCRIPTIONS OF SELECTION CRITERIA BY FUND CATEGORY***

Starting on page 251, the descriptions for the selection criteria for each fund category provide a basic framework of the selection criteria and selection factors used to distribute the funds under each fund category. Additional information on the selection criteria, selection factors and methods used to determine scores for these fund categories is provided in the application guide for each fund category and in the Texas Administrative Code at 10 T.A.C., Part 6, Chapter 255, Subchapter A.

The information currently available for fund categories in the Texas Administrative Code may not yet reflect changes to selection criteria contained in this 2010 Action Plan for the 2010 program year. Any changes to the selection criteria will be published in the Texas Register prior to final adoption.

The Texas Administrative Code can be found on the Texas Secretary of State website at [www.sos.state.tx.us](http://www.sos.state.tx.us). Listed below are the Tx CDBG fund categories that are currently contained in the Texas Administrative Code. Certain Texas Administrative Code sections are retained for previous Fund Categories to govern existing Tx CDBG contracts.

Texas Administrative Code, Title 10 T.A.C., Part 6, Chapter 255, Subchapter A

Section	Section Title
255.1	General Provisions
255.2	Community Development Fund
255.4	Planning/Capacity Building Fund
255.5	Disaster Relief Fund
255.6	Urgent Need Fund
255.7	Texas Capital Fund
255.8	Regional Review Committees
255.9	Colonia Fund
255.11	Small Towns Environment Program Fund
255.17	Renewable Energy Demonstration Pilot Program

### C. DESCRIPTION OF SELECTION CRITERIA BY FUND CATEGORY

#### 1. COMMUNITY DEVELOPMENT FUND

##### a. Regional Review Committee (RRC) Objective Scoring

###### (1) Responsibilities of the RRC:

Each Regional Review Committee is responsible for determining local project priorities and objective factors for all its scoring components based on public input.

###### (2) Maximum RRC Points Possible:

The RRC shall establish the numerical value of the points assigned to each scoring factor and determine the total combined points for all RRC scoring factors.

###### (3) RRC Selection of the Scoring Factors:

The RRCs are responsible for convening public hearings to discuss and select the objective scoring factors that will be used to score applications at the regional level. The public must be given an opportunity to comment on the priorities and the scoring criteria considered. The final selection of the scoring factors is the responsibility of each RRC. Each RRC shall develop a Regional Review Committee Guidebook, in the format provided by Tx CDBG staff, to notify eligible applicants of the objective scoring factors and other RRC procedures for the region.

###### (4) Examples of RRC Objective Scoring Factors:

Examples of objective scoring factors are shown in Appendix A to further clarify the term objective.

The RRC must clearly indicate how responses would be scored under each factor and use data sources that are verifiable to the public. After the RRC's adoption of its scoring factors, the score awarded to a particular application under any RRC scoring factor may not be dependent upon an individual RRC

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member's judgment or discretion. (This does not preclude collective RRC action that the state Tx CDBG has approved under any appeals process.)

#### **(5) RRC Priority Set-asides:**

Housing and Non-Border Colonia projects - Each Regional Review Committee is highly encouraged to allocate a percentage or amount of its Community Development Fund allocation to housing projects and for RRCs in eligible areas, non-border colonia projects, for that region. Under a set-aside, the highest ranked applications for a housing or non-border colonia activity, regardless of the position in the overall ranking, would be selected to the extent permitted by the housing or non-border colonia set-aside level. If the region allocates a percentage of its funds to housing and/or non-border colonia activities and applications conforming to the maximum and minimum amounts are not received to use the entire set-asides, the remaining funds may be used for other eligible activities. (Under a housing and/or non-border colonia set-aside process, a community would not be able to receive an award for both a housing or non-border colonia activity and an award for another Community Development Fund activity during the biennial process. Housing projects/activities must conform to eligibility requirements in 42 U.S.C Section 5305 and applicable HUD regulations.) The RRC must include any set-aside in its Regional Review Committee Guidebook.

#### **(6) RRC Designation of Staff Support:**

The RRC shall select one of the following entities to develop the RRC Guidebook, calculate the RRC scores, and provide other administrative RRC support:

- (i) Regional Council of Governments (COG), or
- (ii) Tx CDBG staff or Tx CDBG designee, or
- (iii) A combination of COG and Tx CDBG staff or TX CDBG designee.

The RRC Guidebook should be adopted by the RRC and approved by Tx CDBG staff at least 90 days prior to the application deadline.

The selection of the entity responsible for calculating the RRC scores must be identified in the RRC Guidebook and must define the role of each entity selected. TDRA shall be responsible for reviewing all scores for accuracy and for determining the final ranking of applicants once the RRC and Tx CDBG scores are summed. The RRC is responsible for providing to the public the RRC scores, while the Tx CDBG is responsible for publishing the final ranking of the applications.

#### **(7) Tie-breaker in a region:**

If needed in the ranking of applications within a region based on available funds remaining, a tie between multiple applications shall be broken based on the per capita income ranking, with a lower per capita income level ranking higher, followed by a second tie-breaker, if needed, of the highest poverty rate ranking higher, followed by a third tie-breaker, if needed, of the highest annual unemployment rate ranking higher.

***b. State Scoring (Tx CDBG Staff Scoring) - Other Considerations – Maximum Points - 10% of Maximum Possible Score for Each RRC***

(1) Past Selection – Maximum Points - 2% of Maximum Possible RRC Score for each region - are awarded to each applicant that did not receive a 2007 or 2008 Community Development Fund or Community Development Supplemental Fund contract award

(2) Past Performance - Maximum Points - 4% of Maximum Possible RRC Score for each region

An applicant can receive points based on the applicant's past performance on previously awarded Tx CDBG contracts. The applicant's score will be primarily based on our assessment of the applicant's performance on the applicant's most recent Tx CDBG contract that has reached the end of the original contract period stipulated in the contract within the past 4 years (for CD/CDS contracts only the 2003/2004 and 2005/2006 cycle awards will be considered). The Tx CDBG will also assess the applicant's performance on existing Tx CDBG contracts that have not reached the end of the original contract period. Applicants that have never received a Tx CDBG grant award will automatically receive these points. The Tx CDBG will assess the applicant's performance on Tx CDBG contracts up to the application deadline date. The applicant's performance after the application deadline date will not be evaluated in this assessment. (Adjustments may be made for contracts that are engaged in appropriately pursuing due diligence such as bonding remedies or litigation to ensure adequate performance under the Tx CDBG contract.) The evaluation of an applicant's past performance will include the following:

- The applicant's completion of the previous contract activities within the original contract period.
- The applicant's submission of all contract reporting requirements such as Quarterly Progress Reports.
- The applicant's submission of the required close-out documents within the period prescribed for such submission.
- The applicant's timely response to monitoring findings on previous Tx CDBG contracts especially any instances when the monitoring findings included disallowed costs.
- The applicant's timely response to audit findings on previous Tx CDBG contracts.
- The expenditure timeframes on the applicable TX CDBG contracts.

(3) Benefit To Low/Moderate-Income (LMI) Persons – Applications that meet the Low and Moderate Income National Objective for each activity (51 percent low/moderate-income benefit for each activity within the application) will receive 2% of the Maximum Possible RRC Score for each region.

(4) Cost per Household (CPH) – The total amount of Tx CDBG funds requested by the applicant is divided by the total number of households benefiting from the application activities to determine the Tx CDBG cost per household. (Use pro rata allocation for multiple activities.) – Up to 2% of the Maximum RRC Score for each region.

- (i) Cost per household is equal to or less than \$8,750 – 2%.
- (ii) Cost per household is greater than \$8,750 but equal to or less than \$17,500 – 1.75%.
- (iii) Cost per household is greater than \$17,500 but equal to or less than \$26,500 – 1.25%.
- (iv) Cost per household is greater than \$26,500 but equal to or less than \$35,000 – 0.5%.

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- (v) Cost per household is greater than \$35,000 – 0%.

(When necessary, a weighted average is used to score to applications that include multiple activities with different beneficiaries. Using as a base figure the Tx CDBG funds requested minus the Tx CDBG funds requested for administration, a percentage of the total Tx CDBG construction and engineering dollars for each activity is calculated. Administration dollars requested is applied pro-rata to these amounts. The percentage of the total Tx CDBG dollars for each activity is then multiplied by the appropriate score and the sum of the calculations determines the score. Related acquisition costs are applied to the associated activity.)

(Maximum State points - the calculated maximum score is rounded to a whole integer, with Past Selection, Past Performance, and LMI being rounded to a whole integer and CPH points being the difference.)

The RRC may not adopt scoring factors that directly negate or offset these state factors.

#### ***c. Other Tx CDBG State Responsibilities***

The state Tx CDBG staff will review each RRC Guidebook to ensure that the scoring procedures are in compliance with 24 CFR 91.320(k)(1)(iv). The regulation states in part that “The statement of method of distribution must provide sufficient information so that units of general local government will be able to understand and comment on it and be able to prepare responsive applications.” Tx CDBG staff will also review the scoring factors selected to ensure that all scoring factors are objective. Each RRC must obtain written approval from Tx CDBG staff before implementing the RRC scoring process. As part of the approval process of the RRC Guidebook, the Tx CDBG state staff may provide further details or elaboration on the objective scoring methodology, data sources and other clarifying details without the necessity of a subsequent RRC meeting.

The state Tx CDBG staff may establish:

- (i) a deadline for the RRC to adopt objective factors for all of its scoring components and submit its adopted Guidebook incorporating the objective scoring methodology to the state Tx CDBG staff for approval;
- (ii) an RRC scoring review appeals process in the Guidebook Instructions and/or the Texas Administrative Code.

Only the state Tx CDBG staff may disqualify an application submitted in a region. The regional scores for RRC factors and the ranking of applications are not considered final until they have been reviewed and approved by the state Tx CDBG staff.

#### ***Community Development Fund Marginal Competition***

A pooled marginal competition may be conducted for program year 2010 using available funds.

All applicants whose marginal amount available is under \$75,000 will automatically be considered under this competition.

When the marginal amount left in a regional allocation is equal to or above the Tx CDBG grant minimum of \$75,000, the marginal applicant may scale down the scope of the original project design,



and accept the marginal amount, if the reduced project is still feasible. Alternatively, such marginal applicants may choose to compete under the pooled marginal fund competition for the possibility of full project funding.

This fund consists of all regional marginal amounts of less than \$75,000, any funds remaining from regional allocations where the number of fully funded eligible applicants does not utilize a region's entire allocation and the contribution of marginal amounts larger than \$75,000 from those applicants opting to compete for full funding rather than accept their marginal amount.

The scoring factors used in this competition are the percentage of the State score received to the maximum possible State score in the region, followed by the per capita income ranking, if needed, with a lower per capita income level ranking higher, followed by a second tie-breaker, if needed, of the highest poverty rate ranking higher; both based on a city's incorporated area and a county's total unincorporated area.

<b>2a.</b>	<b>TEXAS CAPITAL FUND</b>	<b>Real Estate, And Infrastructure Programs</b>
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The selection criteria for the Real Estate, and Infrastructure Programs of the Texas Capital Fund will focus upon factors which may include, but which are not limited to, the following:

- a. Creation or retention of jobs primarily for low to moderate income persons
- b. Creation or retention of jobs primarily in areas of above average unemployment and poverty
- c. Generation of a greater ratio of private investment to Texas Capital Fund investment
- d. Expansion of markets through manufacturing and/or value-added processing
- e. Provision of job opportunities at the lowest possible Texas Capital Fund cost per job
- f. Benefit to areas of the state most in need by considering job impact to community
- g. Assistance for small businesses and Historically Underutilized Businesses
- h. Feasibility of project and ability to create and/or retain jobs

Following the assessment based on the selection criteria described above, projects will be reviewed and evaluated upon the following additional factors: history of the applicant community in the program; strength of business or marketing plan; management experience of the business' principals; and justification of minimum Texas Capital Fund contribution necessary to serve the project.

<b>2b.</b>	<b>TEXAS CAPITAL FUND</b>	<b>Main Street Program</b>
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The selection criteria for the Main Street Program of the Texas Capital Fund will focus upon factors which may include, but which are not limited to, the following:

- a. Aid in the elimination of slum or blight
  - b. The applicant must have been designated by the Texas Historical Commission as a Main Street City
- Feasibility of project
- a. Generation of a greater ratio of private investment to Texas Capital Fund investment
  - b. Texas Historical Commission scoring
  - c. Community profile

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Following the assessment based on the selection criteria described above, projects will be reviewed and evaluated upon the following additional factors: history of the applicant community in the program; strength of marketing plan; and justification of minimum Texas Capital Fund contribution necessary to serve the project.

<b>2c. TEXAS CAPITAL FUND</b>	<b>Downtown Revitalization Program</b>
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The selection criteria for the Downtown Revitalization Program of the Texas Capital Fund will focus upon factors which may include, but which are not limited to, the following:

- a. Aid in the elimination of slum or blight
- b. Feasibility of project
- c. Generation of a greater ratio of private investment to Texas Capital Fund investment
- d. Community profile

Following the assessment based on the selection criteria described above, projects will be reviewed and evaluated upon the following additional factors: strength of marketing plan and justification of minimum Texas Capital Fund contribution necessary to serve the project.

<b>3a. COLONIA CONSTRUCTION COMPONENT</b>	<b>430 Total Points Maximum</b>
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**a. Community Distress – 35 Points (Maximum)**

- |   |           |
|---|-----------|
| • Percentage of persons living in poverty               | 15 points |
| • Per Capita Income                                     | 10 points |
| • Percentage of housing units without complete plumbing | 5 points  |
| • Unemployment Rate                                     | 5 points  |

**b. Benefit To Low/Moderate-Income Persons – 30 Points (Maximum)**

A formula is used to determine the percentage of Tx CDBG funds benefiting low to moderate income persons. The percentage of low to moderate income persons benefiting from each construction, acquisition, and engineering activity is multiplied by the Tx CDBG funds requested for each corresponding construction, acquisition, and engineering activity. Those calculations determine the amount of Tx CDBG benefiting low to moderate income person for each of those activities. Then, the funds benefiting low to moderate income persons for each of those activities are added together and divided by the Tx CDBG funds requested minus the Tx CDBG funds requested for administration to determine the percentage of Tx CDBG funds benefiting low to moderate income persons. Points are then awarded in accordance with the following scale;

100% to 90% of Tx CDBG funds benefiting low to moderate income persons	30
89.99% to 80% of Tx CDBG funds benefiting low to moderate income persons	25
79.99% to 70% of Tx CDBG funds benefiting low to moderate income persons	20
69.99% to 60% of Tx CDBG funds benefiting low to moderate income persons	15
Below 60% of Tx CDBG funds benefiting low to moderate income persons	5

**c. Project Priorities – 195 Points (Maximum)**

- *Activities (service lines, service connections, and/or plumbing improvements) providing public access to EDAP-funded water or sewer systems* 195

• <i>First time public Water service activities (including yard service lines)</i>	145
• <i>First time public Sewer service activities (including yard service lines)</i>	145
• <i>Installation of approved residential on-site wastewater disposal systems for providing first time service</i>	145
• <i>Installation of approved residential on-site wastewater disposal systems for failing systems that cause health issues</i>	140
• <i>Housing Activities</i>	140
• <i>First time Water and/or Sewer service through a privately-owned for-profit utility</i>	135
• <i>Expansion or improvement of existing Water and/or Sewer service</i>	120
• <i>Street Paving and Drainage activities</i>	75
• <i>All Other eligible activities</i>	20

A weighted average is used to assign scores to applications that include activities in the different Project Priority scoring levels. Using as a base figure the Tx CDBG funds requested minus the Tx CDBG funds requested for engineering and administration, a percentage of the total Tx CDBG construction dollars for each activity will be calculated. The percentage of the total Tx CDBG construction dollars for each activity will then be multiplied by the appropriate Project Priorities point level. The sum of these calculations determines the composite Project Priorities score.

*d. Project Design – 140 Points (Maximum)*

Each application is scored by a committee composed of Tx CDBG staff using the following information submitted in the application to generate scores on the project design factor:

- For projects other than water and waste water, whether the applicant has already met its basic water and waste water needs.
- Whether the project has provided for future funding necessary to sustain the project.
- The severity of need within the colonia area(s) and how the proposed project resolves the identified need. Additional consideration is given to water system improvements addressing the impacts from the current drought conditions in the state.
- The applicant will use Tx CDBG funds to provide water or sewer connections, yard service lines, and/or plumbing improvements associated with providing access for colonia residents to water or sewer systems funded by the Texas Water Development Board Economically Distressed Areas Program (EDAP).
- The applicant's past efforts (with emphasis on the applicant's most recent efforts) to address water, sewer, and housing needs in colonia areas through applications submitted under the Tx CDBG Community Development Fund or through the use of CDBG entitlement funds.
- The Tx CDBG cost per low/moderate income beneficiary.
- Whether the applicant has provided any local matching funds for administrative, engineering, or construction activities.
- If applicable, the projected water and/or sewer rates after completion of the project based on 3,000 gallons, 5,000 gallons and 10,000 gallons of usage.
- The ability of the applicant to utilize the grant funds in a timely manner.
- Whether the applicant has waived the payment of water or sewer service assessments, capital recovery fees, and any other access fees for the low and moderate income project beneficiaries.
- The availability of grant funds to the applicant for project financing from other sources.
- The applicant's past performance on previously awarded Tx CDBG contracts.
- Proximity of project site to entitlement cities or metropolitan statistical areas.

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#### e. **Matching Funds – 20 Points (Maximum)**

Applicant(s) population equal to or less than 1,500 according to the 2000 Census:

- Match equal to or greater than 5% of grant request 20 points
- Match at least 2%, but less than 5% of grant request 10 points
- Match less than 2% of grant request 0 points

Applicant(s) population equal to or less than 3,000 but over 1,500 according to the 2000 Census:

- Match equal to or greater than 10% of grant request 20 points
- Match at least 2.5%, but less than 10% of grant request 10 points
- Match less than 2.5% of grant request 0 points

Applicant(s) population equal to or less than 5,000 but over 3,000 according to the 2000 Census:

- Match equal to or greater than 15% of grant request 20 points
- Match at least 3.5%, but less than 15% of grant request 10 points
- Match less than 3.5% of grant request 0 points

Applicant(s) population over 5,000 according to the 2000 Census:

- Match equal to or greater than 20% of grant request 20 points
- Match at least 5%, but less than 20% of grant request 10 points
- Match less than 5% of grant request 0 points

The population category under which county applications are scored is dependent upon the project type and the beneficiary population served. If the project is for activities in the unincorporated area of the county with a target area of beneficiaries, the population category is based on the unincorporated residents for the entire county. For county applications addressing water and sewer improvements in unincorporated areas, the population category is based on the actual number of beneficiaries to be served by the project activities.

The population category under which multi-jurisdiction applications are scored is based on the combined populations of the applicants according to the 2000 Census.

Applications that include a housing rehabilitation and/or affordable new permanent housing activity for low- and moderate-income persons as a part of a multi-activity application do not have to provide any matching funds for the housing activity. This exception is for housing activities only. The Tx CDBG does not consider sewer or water service lines and connections as housing activities. The Tx CDBG also does not consider on-site wastewater disposal systems as housing activities.

Demolition/clearance and code enforcement, when done in the same target area in conjunction with a housing rehabilitation activity, is counted as part of the housing activity. When demolition/clearance and code enforcement are proposed activities, but are not part of a housing rehabilitation activity, then the demolition/clearance and code enforcement are not considered as housing activities. Any additional activities, other than related housing activities, are scored based on the percentage of match provided for the additional activities.

#### **Past Performance – 10 points (Maximum)**

An applicant can receive from ten (10) to zero (0) points based on the applicant's past performance on previously awarded Tx CDBG contracts. The applicant's score will be primarily based on our assessment of the applicant's performance on the applicant's two (2) most recent Tx CDBG contracts that have

reached the end of the original contract period stipulated in the contract. The Tx CDBG will also assess the applicant's performance on existing T CDBG contracts that have not reached the end of the original contract period. Applicants that have never received a Tx CDBG grant award will automatically receive these points. The Tx CDBG will assess the applicant's performance on Tx CDBG contracts up to the application deadline date. The applicant's performance after the application deadline date will not be evaluated in this assessment. The evaluation of an applicant's past performance will include, but is not necessarily limited to the following:

- The applicant's completion of the previous contract activities within the original contract period.
- The applicant's submission of all contract reporting requirements such as Quarterly Progress Reports, Certificates of Expenditures, and Project Completion Reports.
- The applicant's submission of the required close-out documents within the period prescribed for such submission.
- The applicant's timely response to monitoring findings on previous Tx CDBG contracts especially any instances when the monitoring findings included disallowed costs.
- The applicant's timely response to audit findings on previous Tx CDBG contracts.

#### ***Colonia Construction Component Marginal Applicant***

The marginal applicant is the applicant whose score is high enough for partial funding of the applicant's original grant request. If the marginal amount available to this applicant is equal to or more than the Colonia Construction Component grant minimum of \$75,000, the marginal applicant may scale down the scope of the original project design, and accept the marginal amount, if the reduced project is still feasible. In the event that the marginal amount remaining in the Colonia Construction Component allocation is less than \$75,000, then the remaining funds will be used to either fund a Colonia Planning Fund application or will be reallocated to other established Tx CDBG fund categories.

<b>3b.</b>	<b>COLONIA ECONOMICALLY DISTRESSED AREAS PROGRAM SET-ASIDE</b>
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The allocation is distributed on an as-needed basis to eligible counties, and nonentitlement cities located in those counties, that are eligible under the Tx CDBG Colonia Fund and Texas Water Development Board's Economically Distressed Areas Program (TWDB EDAP). Unutilized funds under this program may be redistributed among the established current program year fund categories, for otherwise eligible projects.

Eligible projects shall be located in unincorporated colonias; in colonias located in eligible nonentitlement cities that annexed the colonia and the application for improvements in the colonia is submitted within five (5) years from the effective date of the annexation; or in colonias located in eligible nonentitlement cities where the city is in the process of annexing the colonia where the improvements are to be made.

Eligible applicants may submit an application that will provide assistance to colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB EDAP-funded water and sewer system improvement project. An application cannot be submitted until the construction of the TWDB EDAP-funded water or sewer system begins.

Eligible program costs include water distribution lines and sewer collection lines providing connection to water and sewer lines installed through the Texas Water Development Board's Economically Distressed

## Action Plans

### CDBG

Areas Program (when approved by the Tx CDBG), taps and meters (when approved by the Tx CDBG), yard service lines, service connections, plumbing improvements, and connection fees, and other eligible approved costs associated with connecting an income-eligible family's housing unit to the TWDB improvements.

Tx CDBG staff will evaluate the following factors prior to awarding Colonia Economically Distressed Areas Program funds:

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

<b>3c. COLONIA AREA PLANNING COMPONENT</b>	<b>340 Total Points Maximum</b>
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**a. Community Distress – 35 Points (Maximum)**

- |   |           |
|---|-----------|
| • Percentage of persons living in poverty               | 15 points |
| • Per Capita Income                                     | 10 points |
| • Percentage of housing units without complete plumbing | 5 points  |
| • Unemployment Rate                                     | 5 points  |

**b. Benefit To Low/Moderate-Income Persons – 30 Points (Maximum)**

Points are then awarded based on the low to moderate income percentage for all of the colonia areas where planning activities are located according to the following scale;

100% to 90% of Tx CDBG funds benefiting low to moderate income persons	30
89.99% to 80% of Tx CDBG funds benefiting low to moderate income persons	25
79.99% to 70% of Tx CDBG funds benefiting low to moderate income persons	20
69.99% to 60% of Tx CDBG funds benefiting low to moderate income persons	15
Below 60% of Tx CDBG funds benefiting low to moderate income persons	5

**c. Matching Funds – 20 Points (Maximum)**

Applicant(s) population equal to or less than 1,500 according to the 2000 Census:

- |  |           |
|--|-----------|
| • Match equal to or greater than 5% of grant request   | 20 points |
| • Match at least 2%, but less than 5% of grant request | 10 points |
| • Match less than 2% of grant request                  | 0 points  |

Applicant(s) population equal to or less than 3,000 but over 1,500 according to the 2000 Census:

- |   |           |
|---|-----------|
| • Match equal to or greater than 10% of grant request     | 20 points |
| • Match at least 2.5%, but less than 10% of grant request | 10 points |
| • Match less than 2.5% of grant request                   | 0 points  |

Applicant(s) population equal to or less than 5,000 but over 3,000 according to the 2000 Census:

- |   |           |
|---|-----------|
| • Match equal to or greater than 15% of grant request     | 20 points |
| • Match at least 3.5%, but less than 15% of grant request | 10 points |
| • Match less than 3.5% of grant request                   | 0 points  |

Applicant(s) population over 5,000 according to the 2000 Census:

- Match equal to or greater than 20% of grant request 20 points
- Match at least 5%, but less than 20% of grant request 10 points
- Match less than 5% of grant request 0 points

The population category under which county applications are scored is based on the actual number of beneficiaries to be served by the colonia planning activities.

**d. Project Design – 255 Points (Maximum)**

Each application is scored by a committee composed of Tx CDBG staff using the following information submitted in the application to generate scores on the project design factor:

- The severity of need within the colonia area(s), how clearly the proposed planning effort will remove barriers to the provision of public facilities to the colonia area(s) and result in the development of an implementable strategy to resolve the identified needs.
- The planning activities proposed in the application.
- Whether each proposed planning activity will be conducted on a colonia-wide basis.
- The extent to which any previous planning efforts for colonia area(s) have been accomplished.
- The Tx CDBG cost per low/moderate-income beneficiary.
- The availability of grant funds to the applicant for project financing from other sources.
- The applicant's past performance on previously awarded Tx CDBG contracts.

A Colonia Planning Component application must receive a minimum score for the Project Design selection factor of at least 70 percent of the maximum number of points allowable under this factor to be considered for funding.

**Colonia Area Planning Component Marginal Applicant**

The marginal applicant is the applicant whose score is high enough for partial funding of the applicant's original grant request. The marginal applicant may scale down the scope of the original project design, and accept the marginal amount, if the reduced project is still feasible. Any unobligated funds remaining in the Colonia Area Planning allocation will be reallocated to either fund additional Colonia Comprehensive

Planning applications, Colonia Construction Component applications, or will be reallocated to other established Tx CDBG fund categories.

**3d. COLONIA COMPREHENSIVE PLANNING COMPONENT 200 Total Points Maximum**

**a. Community Distress – 25 Points (Maximum)**

- Percentage of persons living in poverty 10 points
- Per Capita Income 5 points
- Percentage of housing units without complete plumbing 5 points
- Unemployment Rate 5 points

**b. Project Design – 175 Points (Maximum)**

Each application will be scored by a committee composed of Tx CDBG staff using the following information submitted in the application to generate scores on the project design factor:

## Action Plans

### CDBG

- The severity of need for the comprehensive colonia planning effort and how effectively the proposed comprehensive planning effort will result in a useful assessment of colonia populations, locations, infrastructure conditions, housing conditions, and the development of short-term and long term strategies to resolve the identified needs.
- The extent to which any previous planning efforts for colonia area(s) have been accomplished.
- Whether the applicant has provided any local matching funds for the planning or preliminary engineering activities.
- The applicant's past performance on previously awarded Tx CDBG contracts.
- An applicant that has previously received a Tx CDBG comprehensive planning award would receive lower priority for funding.

A Colonia Planning Component application must receive a minimum score for the Project Design selection factor of at least 70 percent of the maximum number of points allowable under this factor to be considered for funding.

### *Colonia Comprehensive Planning Component Marginal Applicant*

The marginal applicant is the applicant whose score is high enough for partial funding of the applicant's original grant request. The marginal applicant may scale down the scope of the original project design, and accept the marginal amount, if the reduced project is still feasible. Any unobligated funds remaining in the Colonia Comprehensive Planning allocation will be reallocated to either fund additional Colonia Area Planning Fund applications, Colonia Construction Component applications, or will be reallocated to other established Tx CDBG fund categories.

<b>4. PLANNING AND CAPACITY BUILDING FUND</b>	<b>430 Total Points Maximum</b>
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**a. Community Distress – 55 Points (Maximum)**

- Percentage of persons living in poverty      25 points
- Per Capita Income                                      20 points
- Unemployment rate                                      10 points

**b. Benefit to Low/Moderate Income Persons - 0 Points**

Applicants are required to meet the 51% low/moderate income benefit as a threshold requirement, but no score is awarded on this factor.

**c. Project Design – 375 Points (Maximum)**

**(1) Program Priority** **50 points**

Applicant chooses its own priorities here with 10 points awarded per priority as provided below.

Base studies (base mapping, housing, land use, population components) are recommended as one selected priority for applicants lacking updated studies unless they have been previously funded by Tx CDBG or have been completed using other resources.

An applicant requesting Tx CDBG funds for fewer than five priorities may receive point credit under this factor for planning studies completed within the last 10 years that do not need to be updated. An applicant requesting Tx DBG funds for a planning study priority that was completed within the past 10 years using Tx CDBG funds would not receive scoring credit under this factor.



Applicants should not request funds to complete a water or sewer study if funds have been awarded within the last two years for these activities or funds are being requested under other Tx CDBG fund categories.

**(2) Base Match** 0 points

- Five percent match required from applicants with population equal to or less than 1,500.
- Ten percent match required from applicants with population over 1,500 but equal to or less than 3,000.
- Fifteen percent match required from applicants with population over 3,000 but equal to or less than 5,000.
- Twenty percent match required from applicants with population over 5,000.

The population will be based on available information in the latest national decennial census.

**(3) Areawide Proposals** 50 points

Applicants with jurisdiction-wide proposals because the entire jurisdiction is at least 51 percent low/moderate-income qualify for these points. County applicants with identifiable, unincorporated communities may also qualify for these points provided that incorporation activities are underway. Proof of efforts to incorporate is required. County applicants with identifiable water supply corporations may apply to study water needs only and receive these points.

**(4) Planning Strategy and Products** 275 points

- New applicants receive up to 50 points while previous recipients of planning funds receive either up to 30 or 20 points depending on the level of implementation of previously funded activities. Recipients of Tx CDBG planning funds prior to PY 2000 will be considered new applicants for this scoring factor
- Up to 225 points are awarded for the applicant's Proposed Planning Effort based on an evaluation of the following:
  - the extent to which any previous planning efforts have been implemented or accomplished;
  - how clearly the proposed planning effort will resolve community development needs addressed in the application;
  - whether the proposed activities will result in the development of a viable and implementable strategy and be an efficient use of grant funds; and
  - demonstration of local commitment.

**5. Tx CDBG STEP FUND** **120 Total Points Maximum**

The following is the selection criteria to be used by Tx CDBG staff for the scoring of assessments and applications under the Texas STEP Fund. The maximum score of 120 points is divided among five scoring factors:

**a. Project Impact – 60 Points (Maximum)**

Activity	Score
First time service	60-40
To address drought	60-40
To address a severe impact to a water system (imminent loss of well, transmission line, supply impact)	60-40
TCEQ relevant documentation or Texas Department of Health Imminent Threat to Health	60-40

## **Action Plans**

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### **CDBG**

Problems due to severe sewer issues that can be addressed through the STEP process (documented)  
60-40

Problems due to severe pressure problems (documented) 50-40

Line replacement (water or sewer) other than for above 40-30

All other proposed water and sewer projects that are not reflected above 30-20

A weighted average will be used to assign scores to applications that include activities in the different Project Impact scoring levels. Using as a base figure the Tx CDBG funds requested minus the Tx CDBG funds requested for engineering and administration, a percentage of the total Tx CDBG construction dollars for each activity will be calculated. The percentage of the total Tx CDBG construction dollars for each activity will then be multiplied by the appropriate Project Impact point level. The sum of these calculations will determine the composite Project Impact score.

Factors that are evaluated by the Tx CDBG staff in the assignment of scores within the predetermined scoring ranges for activities include, but are not limited to, the following:

1. how the proposed project will resolve the identified need and the severity of the need within the applying jurisdiction; and
2. projects designed to bring existing services up to at least the state minimum standards as set by the applicable regulatory agency are generally given additional consideration.

**b. STEP Characteristics, Merits of the Project, and Local Effort - 30 points (Maximum)**

The Tx CDBG staff will assess the proposal for the following STEP characteristics not scored in other factors:

1. degree work will be performed by community volunteer workers, including information provided on the volunteer work to total work;
2. local leaders (sparkplugs) willing to both lead and sustain the effort;
3. readiness to proceed – the local perception of the problem and the willingness to take action to solve it;
4. capacity – the manpower required for the proposal including skills required to solve the problem and operate applicable construction equipment;
5. merits of the projects, including the severity of the need, whether the applicant sought funding from other sources, cost in Tx CDBG dollars requested per beneficiary, etc.; and
6. local efforts being made by applicants in utilizing local resources for community development.

**c. Past Participation and Performance – 15 Points (Maximum)**

An applicant would receive ten (10) points if they do not have a current Texas STEP grant.

An applicant can receive from five (5) to zero (0) points based on the applicant's past performance on previously awarded Tx CDBG contracts. The applicant's score will be primarily based on our assessment of the applicant's performance on the applicant's two (2) most recent Tx CDBG contracts that have reached the end of the original contract period stipulated in the contract. The Tx CDBG will also assess the applicant's performance on existing Tx CDBG contracts that have not reached the end of the original

contract period. Applicants that have never received a Tx CDBG grant award will automatically receive these points. The Tx CDBG will assess the applicant's performance on Tx CDBG contracts up to the application deadline date. The applicant's performance after the application deadline date will not be evaluated in this assessment. The evaluation of an applicant's past performance will include, but is not necessarily limited to the following:

- The applicant's completion of the previous contract activities within the original contract period.
- The applicant's submission of all contract reporting requirements such as Quarterly Progress Reports, Certificates of Expenditures, and Project Completion Reports.
- The applicant's submission of the required close-out documents within the period prescribed for such submission.
- The applicant's timely response to monitoring findings on previous Tx CDBG contracts especially any instances when the monitoring findings included disallowed costs.
- The applicant's timely response to audit findings on previous Tx CDBG contracts.

*d. Percentage of Savings off of the retail price – 10 Points (Maximum)*

For STEP, the percentage of savings off of the retail price is considered a form of community match for the project. In STEP, a threshold requirement is a minimum of 40 percent savings off the retail price for construction activities.

For Communities that are equal to or below 1,500 in Population

55% or more Savings	10 points
50% - 54.99% Savings	9 points
45% - 49.99% Savings	7 points
41% - 44.99% Savings	5 points

For Communities that are above 1,500 but equal to or below 3,000 in Population

55% or more Savings	10 points
50% - 54.99% Savings	8 points
45% - 49.99% Savings	6 points
41% - 44.99% Savings	3 points

For Communities that are above 3,000 but equal to or below 5,000 in Population

55% or more Savings	10 points
50% - 54.99% Savings	7 points
45% - 49.99% Savings	5 points
41% - 44.99% Savings	2 points

For Communities that are above 5,000 but equal to or below 10,000 in Population

55% or more Savings	10 points
50% - 54.99% Savings	6 points
45% - 49.99% Savings	3 points
41% - 44.99% Savings	1 points

For Communities that are 10,000 or above in Population

55% or more Savings	10 points
50% - 54.99% Savings	5 points
45% - 49.99% Savings	2 points
41% - 44.99% Savings	0 points

## Action Plans

### CDBG

The population category under which county applications are scored is dependent upon the project type and the beneficiary population served. If the project is for beneficiaries for the entire county, the total population of the county is used. If the project is for activities in the unincorporated area of the county with a target area of beneficiaries, the population category is based on the unincorporated residents for the entire county. For county applications addressing water and sewer improvements in unincorporated areas, the population category is based on the actual number of beneficiaries to be served by the project activities.

The population category under which multi-jurisdiction applications are scored is based on the combined populations of the applicants according to the 2000 Census.

#### e. **Benefit To Low/Moderate-Income Persons – 5 Points (Maximum)**

Applicants are required to meet the 51 percent low/moderate-income benefit for each activity as a threshold requirement. Any project where at least 60 percent of the Tx CDBG funds benefit low/moderate-income persons will receive 5 points.

A project must score at least 75 points overall and 15 points under factor 12(b) to be considered for funding.

<b>6. Renewable Energy Demonstration Pilot Program 70 Total Points Maximum</b>
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**(A) Type of Project** – Primarily used in conjunction with providing public facilities to meet basic human needs such as water or waste water and/or benefit to low/moderate-income persons – up to 15 points.

**(B) Innovative Technology / Methods** – A project that would demonstrate the application of innovative technology and/or methods – up to 10 points.

**(C) Duplication in Other Rural Areas** – A project that could have widespread application (although it would not need to be applicable in every portion of the state.) – up to 10 points

**(D) Long-term Cost / Benefit and Texas Renewable Energy Goals** – Projects that demonstrate long term cost / benefit analysis including benefits to the human environment and consistency with Texas renewable energy goals – up to 10 points

**(E) Partnership / Collaboration** – Projects that have a demonstrated partnership and collaboration with other entities focusing on promoting renewable energy including universities, funding agencies, associations, or businesses – up to 10 points.

**(F) Leveraging** – projects with committed funds from other entities including funding agencies, local governments, or businesses.

Applicant(s) population equal to or less than 2,500 according to the latest decennial Census:

- Match equal to or greater than 15% of grant request 10 points
- Match at least 8% but less than 15% of grant request 5 points
- Match at least 3%, but less than 8% of grant request 3 points
- Match at least 2%, but less than 3% of grant request 1 point
- Match less than 2% of grant request 0 points

Applicant(s) population equal to or less than 5,000 but over 2,500 according to the latest decennial Census:

- Match equal to or greater than 25% of grant request 10 points
- Match at least 13% but less than 25% of grant request 5 points
- Match at least 5%, but less than 13% of grant request 3 points
- Match at least 3%, but less than 5% of grant request 1 point
- Match less than 3% of grant request 0 points

Applicant(s) population equal to or less than 10,000 but over 5,000 according to the latest decennial Census:

- Match equal to or greater than 35% of grant request 10 points
- Match at least 18% but less than 35% of grant request 5 points
- Match at least 7%, but less than 18% of grant request 3 points
- Match at least 4%, but less than 7% of grant request 1 point
- Match less than 4% of grant request 0 points

Applicant(s) population over 10,000 according to the latest decennial Census:

- Match equal to or greater than 50% of grant request 10 points
- Match at least 25% but less than 50% of grant request 5 points
- Match at least 10%, but less than 25% of grant request 3 points
- Match at least 5%, but less than 10% of grant request 1 point
- Match less than 5% of grant request 0 points

The population category under which county applications are scored is dependent upon the project type and the beneficiary population served. If the project is for beneficiaries for the entire county, the total population of the county is used. If the project is for activities in the unincorporated area of the county with a target area of beneficiaries, the population category is based on the unincorporated residents for the entire county.

**(G) Location in Rural Areas** – Projects that benefit cities with populations under 10,000 or counties under 100,000 – 5 points.

**Tiebreaker** – If needed in the ranking of applications based on available funds, a tie between multiple applications shall be broken based on the score of (D) Long-term Cost / Benefit and Texas Renewable Energy Goals, followed by the per capita income ranking for the entire population of the city or county that applied.

## **V. PERFORMANCE MEASURES - GOALS, OBJECTIVES, OUTCOMES, STRATEGIES, AND OUTPUTS**

### ***Tx CDBG Strategic Plan Performance Measures***

The Tx CDBG currently has a performance measurement system in place that is part of its strategic plan and the Texas legislative budgeting process. The Tx CDBG has already implemented a performance measurement system that supports the HUD goals as stated in CPD Notice – 03-09, issued September 3, 2003, which “strongly encouraged each CPD formula grantee to develop and use a state or local performance measurement system.” In this notice, HUD asked the State CDBG programs, along with all other CDBG grantees, that currently have and use a state or local performance measurement system to

## **Action Plans**

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### **CDBG**

“(1) describe, in their next Consolidated Plan or Annual Action Plan, the method they use to measure the outputs and outcomes of their CPD formula grant programs.”

The Tx CDBG has the following Performance Measures system in place for administering and evaluating the success of the CDBG non-entitlement program.

### **GOALS, OBJECTIVES AND OUTCOMES – For FY 2009-2010**

**Goal 1: Support Community and Economic Development Projects**

**Objective 1: Fund Facility, Economic Development, Housing, and Planning Projects**

**Outcome 1: Percent of the Small Communities’ Population Benefiting from Projects**

**Outcome 2: Percent of Requested Project Funds Awarded to Projects Using Annual HUD Allocation**

### **STRATEGIES AND EFFICIENCY, EXPLANATORY AND OUTPUT MEASURES – For 2009-2010**

**Goal 1: Support Community and Economic Development Projects**

**Objective 1: Fund Facility, Economic Development, Housing and Planning Projects**

**Strategy 1: Provide Grants for Community and Economic Development Projects**

**Efficiency 1: Average Agency Administrative Cost per Contract Administered**

**Output 1: Number of New Contracts Awarded**

**Output 2: Number of Projected Beneficiaries from New Contracts Awarded**

**Output 3: Number of Jobs Created/Retained through Contracts Awarded Annually**

**Output 4: Number of Projected Beneficiaries from Self-Help Center Contracts Funded**

**Output 5: Number of Programmatic Monitoring Visits Conducted**

**Output 6: Number of Single Audit reviews Conducted Annually**

### **HUD CDBG Performance Outcome Measurement System**

The Tx CDBG has implemented the HUD CDBG Performance Outcome Measurement System, which is a nationwide reporting system based on standardized Objective categories, Outcome categories, and specific Output Indicators.

The outcome performance measurement system has three objectives: (1) Creating Suitable Living Environments, (2) Providing Decent Affordable Housing, and (3) Creating Economic Opportunities. There are also three outcomes under each objective: (1) Availability/Accessibility, (2) Affordability, and (3) Sustainability. Thus, the three objectives, each having three possible outcomes, produce nine possible outcome/objective combinations within which to categorize CDBG grant activities. Specific Output Indicators, many of which Tx CDBG has used in the HUD Integrated Disbursement and Information System reporting system, will be used to provide the quantifiable information used to actually measure the outcome/objective combinations for the funded CDBG projects (such as the number of persons who have new access to water facilities).

## **VI. OTHER 2010 CDBG PROGRAM GUIDELINES**

### **A. COMMUNITY NEEDS ASSESSMENT**

Each applicant for Tx CDBG funds must prepare an assessment of the applicant's housing and community development needs. The needs assessment submitted by an applicant in an application for the Community Development Fund must also include information concerning the applicant's past and future efforts to provide affordable housing opportunities in the applicant's jurisdiction and the applicant's past efforts to provide infrastructure improvements through the issuance of general obligation or revenue bonds.

### **B. LEVERAGING RESOURCES**

#### ***Texas Capital Fund***

The following matching funds requirements apply under the Real Estate, Infrastructure, Main Street and Downtown Revitalization Program:

- a. The leverage ratio between all funding sources to the Texas Capital Fund (TCF) request may not be less than 1:1 for awards of \$750,000 or less (except for the Main Street and Downtown Revitalization programs which both require 0.1:1, or more match), and 4:1 for awards of \$750,100 to \$1,000,000.
- b. All businesses are required to make financial contributions to the proposed project. A cash injection of a minimum of 2.5% of the total project cost is required. Total equity participation must be no less than 10% of the total project cost. This equity participation may be in the form of cash and/or net equity value in fixed assets utilized within the proposed project. A minimum of a 33% equity injection (of the total projects costs) in the form of cash and/or net equity value in fixed assets is required, if the business has been operating for less than three years and is accessing the Real Estate program.

Over the past five program years the ratio of matching funds to Texas Capital Fund awards is approximately 3.75:1. If this ratio continues for the 2009 program year then the estimated amount of leveraged funds for the 2010 program year is approximately \$45 million.

### **C. MINORITY HIRING/PARTICIPATION**

The Tx CDBG encourages minority employment and participation among all applicants under the Community Development Block Grant Program. All applicants to the Community Development Block Grant Program shall be required to submit information documenting the level of minority participation as part of the application for funding.

### **D. CITIZEN PARTICIPATION**

A grant to a locality under the Texas Community Development Block Grant Program may be awarded only if the locality certifies that it is following a detailed citizen participation plan that provides for and encourages citizen participation at all stages of the community development program. Tx CDBG applicants and funded localities are required to carry out citizen participation in accordance with the Citizen Participation Plan requirements described in Tx CDBG application guides.

## **APPENDIX A – EXAMPLES OF OBJECTIVE SCORING FACTORS**

### **1. Per Capita Income – 20 points maximum**

Compare each applicant's per capita income level to all other applicants in the region.

Method: The base amount for the entire region is divided by the applicant's per capita income level and then multiplied by the maximum possible score of 20, provided the product may not exceed 20 points. The base amount is the average (mean) of the per capita income levels of all the applicants in the region multiplied by a factor 0.75.

#### ***Details***

##### ***Incorporated City Applications:***

For an incorporated city, the data used to score is based on the 2000 decennial Census SF 3 information for the city's entire population.

For a new incorporated city that was not included in the 2000 decennial Census as an incorporated city, the data used to score is based on the 2000 decennial Census information for the entire county unincorporated population.

##### ***County Applications:***

For a county, the data used to score is based on the 2000 decennial Census SF 3 information for:

- the county's entire population (for county-wide benefit activities);
- the county's entire unincorporated population (for activities that only benefit persons in unincorporated areas); or
- the 2000 decennial census geographic area information specific to the unincorporated areas benefiting from the county's application activities (for activities that only benefit persons in unincorporated areas) (only census tracts, or block numbering areas, and block groups are allowable census geographic areas)

Geographic area information may be substituted only for county applications where the application activities benefit no more than two separate unincorporated target areas. County applications that include application activities for unincorporated areas that are located in more than two county precincts are scored for the entire county unincorporated population or the entire county population.

If a county elects to use census geographic area information that is specific to the unincorporated areas benefiting from the application activities, the county must submit the census geographic area identification number and the associated per capita income amount for each target area.

Multi-Jurisdiction applications - For multi-jurisdiction applications, the data used for scoring is based on a simple average of the per capita income amounts for all of the participating jurisdictions.

Data Source – US Bureau of the Census - 2000 Census – SF 3, Per Capita Income



## 2. Matching Funds – 60 Points Maximum

Applicant(s) population equal to or less than 1,500 according to the 2000 Census:

- Match equal to or greater than 5% of grant request 60 points
- Match at least 4% but less than 5% of grant request 40 points
- Match at least 3%, but less than 4% of grant request 20 points
- Match at least 2%, but less than 3% of grant request 10 points
- Match less than 2% of grant request 0 points

Applicant(s) population equal to or less than 3,000 but over 1,500 according to the 2000 Census:

- Match equal to or greater than 10% of grant request 60 points
- Match at least 7.5% but less than 10% of grant request 40 points
- Match at least 5%, but less than 7.5% of grant request 20 points
- Match at least 2.5%, but less than 5% of grant request 10 points
- Match less than 2.5% of grant request 0 points

Applicant(s) population equal to or less than 5,000 but over 3,000 according to the 2000 Census:

- Match equal to or greater than 15% of grant request 60 points
- Match at least 11.5% but less than 15% of grant request 40 points
- Match at least 7.5%, but less than 11.5% of grant request 20 points
- Match at least 3.5%, but less than 7.5% of grant request 10 points
- Match less than 3.5% of grant request 0 points

Applicant(s) population over 5,000 according to the 2000 Census:

- Match equal to or greater than 20% of grant request 60 points
- Match at least 15% but less than 20% of grant request 40 points
- Match at least 10%, but less than 15% of grant request 20 points
- Match at least 5%, but less than 10% of grant request 10 points
- Match less than 5% of grant request 0 points

The population category for an incorporated city is based on the city's 2000 Census population. The population category under which county applications are scored is dependent upon the project type and the beneficiary population served. If the project is for beneficiaries for the entire county, the total population of the county is used. If the project is for activities in the unincorporated area of the county with a target area of beneficiaries, the population category is based on the unincorporated residents for the entire county. For county applications addressing water and sewer improvements in unincorporated areas, the population category is based on the actual number of beneficiaries to be served by the project activities.

The population category under which multi-jurisdiction applications are scored is based on the combined populations of the applicants according to the 2000 Census.

Multi-Jurisdiction Applications - The population category under which multi-jurisdiction applications will be scored will be based on the combined populations of the participating applicants according to the 2000 census. The guidelines for determining the population category for county applications will also apply to multi-jurisdiction applications when a county or counties are participants in a multi-jurisdiction application.

Data Source - US Bureau of the Census - 2000 Census, SF 3.

## ***Action Plans***

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### ***CDBG***

#### ***3. Project Priorities – 30 Points Maximum***

- a. Activities providing or improving water or wastewater (including yardlines on residential property) – 30 Points
- b. Housing rehabilitation activities - 15 Points
- c. All other eligible activities – 5 Points

(When necessary, a weighted-average is used to score to applications that include multiple activities. Using as a base figure the Tx CDBG funds requested minus the Tx CDBG funds requested for administration, a percentage of the total Tx CDBG construction and engineering dollars for each activity is calculated. Administration dollars requested is applied pro-rata to these amounts. The percentage of the total Tx CDBG dollars for each activity is then multiplied by the appropriate score and the sum of the calculations determines the score. Related acquisition costs are applied to the associated activity.)

#### ***CPD Outcome Performance Measurement System Reporting***

The Tx CDBG has implemented the HUD CPD Outcome Performance Measurement System Reporting and has added the performance measurement objectives and outcomes to its new application guides. All applicants are required to indicate the performance measures that best correspond with the activities they are proposing. Tx CDBG staff enter the objectives and outcomes in its internal application review database. Upon the award of the funds, Tx CDBG enter the performance measure information into the IDIS database. The Tx CDBG staff update the information in IDIS as needed. In addition, for existing open contracts, Tx CDBG staff has entered the objectives and outcomes for these contracts into the IDIS system.

The outcome performance measurement system has three objectives: (1) Creating Suitable Living Environments, (2) Providing Decent Affordable Housing, and (3) Creating Economic Opportunities. There are also three outcomes under each objective: (1) Availability/Accessibility, (2) Affordability, and (3) Sustainability. Thus, the three objectives, each having three possible outcomes, produce nine possible outcome/objective combinations within which to categorize CDBG grant activities. Specific Output Indicators, many of which Tx CDBG has used in the HUD Integrated Disbursement and Information System reporting system, are used to provide the quantifiable information used to actually measure the outcome/objective combinations for the funded CDBG projects (such as the number of persons who have new access to water facilities).

Affordable housing has been primarily provided using CDBG funds to regions located on the Texas-Mexico border. Based on performance from more recent housing rehabilitation projects, 80 percent of the households benefiting from the housing rehabilitation projects were to minority households. The Texas CDBG program anticipates assisting 33 households in the upcoming year, primarily through housing rehabilitation projects under the Community Development Fund and Colonia Fund, of which 26 are anticipated to be minority households.

During the PY 2010 time period, the anticipated objectives and outcomes for the proposed eligible activities using all CDBG funds available are shown below; however, both the actual objectives and outcomes for individual funded projects may vary within the eligible activities depending on the

applicant's determination and selection. The number of activities below assumes the deobligated funds and program income available in PY 2010 will be made available for priorities as currently specified in the action plan:

<b>HUD Matrix Code</b>	<b>HUD Matrix Name</b>	<b>Objective</b>	<b>Outcome</b>	<b>PY 2010 -Expected Number of Activities</b>
03E	Neighborhood Facilities	Suitable Living Environment	Availability/ Accessibility	4
03J	Water/Sewer Improvements	Suitable Living Environment	Availability/ Accessibility	136
		Suitable Living Environment	Affordability	8
		Suitable Living Environment	Sustainability	71
03K	Street Improvements	Suitable Living Environment	Availability/ Accessibility	92
		Suitable Living Environment	Affordability	3
		Suitable Living Environment	Sustainability	2
14A	Rehabilitation; Single Unit Residential	Suitable Living Environment	Availability/ Accessibility	50
		Decent Housing	Affordability	8
		Decent Housing	Sustainability	2
13	Homeownership Assistance	Decent Housing	Affordability	1
03F	Parks, Playgrounds, and Other Recreational Facilities	Suitable Living Environment	Availability/ Accessibility	2
05	Public Service	Suitable Living Environment	Availability/ Accessibility	3
03	Other Public Utilities	Suitable Living Environment	Availability/ Accessibility	3
		Economic Opportunity	Sustainability	1
04	Clearance Demolition Activities	Suitable Living Environment	Availability/ Accessibility	8
		Suitable Living Environment	Sustainability	1
030	Fire Stations/ Equipment	Suitable Living Environment	Availability/ Accessibility	4
18A	ED Direct Financial Assistance for For-Profits	Economic Opportunity	Availability/ Accessibility	2
		Economic Opportunity	Affordability	30
				431

## **NON-HOMELESS SPECIAL NEEDS ACTION PLAN: HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS**

Situated within a comprehensive network of HIV care services in Texas, the State of Texas HOPWA Formula program meets the unmet housing and supportive services needs of people living with HIV/AIDS (PLWHA) in Texas by providing housing assistance and supportive services to income-eligible individuals living with HIV/AIDS and their families. The goals of the HOPWA program are to help low-income HIV-positive clients establish or maintain affordable and stable housing, to reduce the risk of homelessness, and to improve access to health care and supportive services. As of the end of 2007, 62,714 persons were known to be living with HIV/AIDS in Texas; this does not include persons with HIV who have not been diagnosed.<sup>72</sup> The 2008-2010 Texas Statement of Coordinated Need reported oral health care and housing as the two most frequent gaps in services identified by clients in six of the seven HIV Service Delivery Areas (HSDAs) assessed in Texas<sup>73</sup>.

The State of Texas HOPWA program is administered by the TB/HIV/STD Unit - HIV/STD Prevention and Care Branch of the Department of State Health Services (DSHS) and provides the following services:

### **TENANT-BASED RENTAL ASSISTANCE (TBRA) PROGRAM**

The TBRA program provides tenant-based rental assistance to eligible individuals until they are able to secure other affordable and stable housing.

### **SHORT-TERM RENT, MORTGAGE, AND UTILITIES (STRMU) ASSISTANCE PROGRAM**

The STRMU program provides short-term rent, mortgage, and utility payments to eligible individuals for a maximum of 21 weeks of assistance in a 52-week period.

### **SUPPORTIVE SERVICES PROGRAM**

The Supportive Services program provides case management, basic telephone service and assistance to purchase smoke detectors to eligible individuals.

### **PERMANENT HOUSING PLACEMENT SERVICES (PHP)**

The PHP program provides assistance for housing placement costs which may include application fees, related credit checks, and reasonable security deposits necessary to move persons into permanent housing.

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<sup>72</sup> Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning  
[http://www.dshs.state.tx.us/hivstd/planning/Epi\\_Profile\\_02012008.pdf](http://www.dshs.state.tx.us/hivstd/planning/Epi_Profile_02012008.pdf)

<sup>73</sup> 2008-2010 Texas Statewide Coordinated Statement of Need

## ANNUAL PROGRAM GOALS

Based on prior-year performance and level funding from HUD, DSHS estimates that 607 households can be provided with short-term rent, mortgage, and utility payments, 516 households can be provided tenant-based rental assistance, 1,043 can be provided with supportive services and 56 households can be provided permanent housing placement during the 2010 project year.

## PROJECT SPONSOR SELECTION PROCESS

DSHS selects eight Administrative Agencies (AAs) across the state through a combination of competitive Requests for Proposals (RFP) and intergovernmental agency contracts. The AAs act as an administrative arm for DSHS by administering the HOPWA program locally for a five year project period. This period is concurrent with the Ryan White Part B grant period, which delivers case management and other supportive services to HOPWA clients.

These AAs in turn select HOPWA Project Sponsors through local competitive processes that are open to all grassroots, faith-based, community-based organizations, and governmental agencies. Each AA contracts with one or more Project Sponsors who directly provide HOPWA services to eligible clients throughout the state's 26 HSDAs. Some Project Sponsors may change during 2010 due to local competitive processes.

## PROGRAM BUDGET

DSHS reserves three percent of the total award for administrative and indirect costs, including, personnel, supplies, travel, training/technical assistance, and contractual support for ARIES. Project Sponsors are allowed up to seven percent of their allocation for personnel or other administrative costs. The funding allocation is distributed geographically by HSDA and is based on a formula including HIV/AIDS morbidity, poverty level, and population distribution with annual adjustments for project sponsor funding needs.

The 2010 HOPWA Program award is \$2,818,502 and the budgeted amount is \$2,990,555, including unexpended prior year funds (\$172,053) is allocated as follows:

DSHS administration (3%)	\$84,555 (indirect costs, personnel, supplies, travel, training/technical assistance, contractual support for ARIES)
Contractual	\$2,906,000
○ TBRA	\$1,875,264
○ STRMU	\$421,392
○ Supportive Services	\$416,772
○ Permanent Housing Placement	\$21,644
○ Project Sponsor Administration (7%)	\$170,928

## Action Plans

### HOPWA

## GEOGRAPHIC DISTRIBUTION

The funding allocations are geographically distributed across the state to the 26 HSDAs and all 254 Texas counties.

## ADMINISTRATIVE AGENCIES AND PROJECT SPONSORS

The following chart summarizes the estimated 2010 HOPWA funding allocation for the seven AAs and their 26 Project Sponsors/HSDAs. DSHS distributes funding in excess of the HUD grant award to spend down unobligated balances from previous years. The 2010 funding allocations are estimates based on 2009 funding levels, program expenditures, and waiting lists and may change as the 2010 HUD award is received and contracts are negotiated.

<b>Administrative Agency</b>	<b>2010 funding allocation</b>	<b>Project Sponsor/HSDA</b>	<b>2010 funding allocation</b>
<b>Bexar County</b>	211,000	Alamo Area Resource Center/San Antonio	101,000
		United Medical Centers/Uvalde	28,000
		Victoria City-County Health Department/Victoria	82,000
<b>Brazos Valley Council of Governments P.O. Box 4128 Bryan, TX 77805-4128</b>	262,000	Community Action, Inc./Austin	32,000
		San Angelo AIDS Foundation/Concho-Plateau	33,000
		United Way of the Greater Fort Hood Area/Temple-Killeen	41,000
		Project Unity/Bryan-College Station	76,000
		Waco/McLennan County Public Health District/Waco	80,000
<b>Dallas County HHSD 2377 North Stemmons Frwy., Ste. 600 Dallas, TX 75207-2710</b>	59,000	Dallas County Health and Human Services -HOPWA Program/Dallas	4,000
		Your Health Clinic/Sherman-Dennison	55,000
<b>Houston Regional Resource Group 500 Lovett Boulevard, Ste. 100 Houston, TX 77006</b>	788,000	AIDS Coalition of Coastal Texas/Galveston	12,000
		AIDS Foundation of Houston/Houston	30,000
		Health Horizons/Lufkin	162,000
		Special Health Resources for Texas, Inc. Longview/Tyler	390,000
		Special Health Resources for Texas, Inc. Paris/Texarkana	80,000
		Triangle AIDS Network/Beaumont-Port Arthur	114,000
<b>Lubbock Regional MHMR Center P.O. Box 2828 1602 Tenth St. Lubbock, TX 79408-2828</b>	588,000	Panhandle AIDS Service Organization/Amarillo	116,000
		Sun City Behavioral Health Center/El Paso	216,000
		Permian Basin Community Center/Permian-Basin	121,000
		Project CHAMPS/Lubbock	135,000

<b>Administrative Agency</b>	<b>2010 funding allocation</b>	<b>Project Sponsor/HSDA</b>	<b>2010 funding allocation</b>
<b>South Texas Development Council (STDC)</b> <b>P.O. Box 2187</b> <b>4812 North Bartlett</b> <b>Laredo, TX 78044-2187</b>	817,000	City of Laredo Health Department/Laredo	88,000
		Coastal Bend AIDS Foundation/Corpus Christi	351,000
		Valley AIDS Council/Brownsville	378,000
<b>Tarrant County Health Department</b> <b>1101 South Main St., Ste. 2500</b> <b>Fort Worth, TX 76104-4802</b>	181,000	AIDS Resources of Rural Texas - Abilene/Abilene	65,000
		AIDS Resources of Rural Texas - Weatherford/Fort Worth	50,000
		Wichita Falls Wichita County Health Department/Wichita Falls	66,000
<b>Total</b>	<b>2,906,000</b>		<b>2,906,000</b>

## CLIENT PARTICIPATION

Clients participate in shaping local approaches to meeting housing needs in three ways:

All areas conduct periodic needs assessment of client needs, and assessment of housing needs are included in such assessments. These assessments vary in methodology and depth with which housing needs are explored, which is appropriate given the varying needs for housing assistance in various areas of the state. Additionally, all Ryan White Part A councils in Texas have either completed special assessments of homeless persons or persons at risk for homelessness, or will be completing such assessments within the next year. Assessments in all EMAs are joint Ryan White Part A and Part B assessments.

All planning areas in the state must have ways for community members, including clients, to have input into local priorities, allocations, and plans. All plans include discussions of how best to deliver services to meet the needs identified in assessments, and plans that prioritize expenditures on housing or identify housing needs that would include discussions of how best to meet these needs. Plans are written on three to four year cycles, but reviewed annually.

Finally, clients shape housing services via direct interactions with service providers. Through the intake system, HIV/AIDS clients are informed about the HOPWA program, assisted with the application, or referred directly to the HOPWA Project Sponsor. Clients' housing needs are also assessed regularly with case managers as circumstances change and as determined by clients' housing plans.

## OUTCOME MEASURES

DSHS HOPWA contractors must address the following outcomes pursuant to the new performance measurement outcome system mandated by HUD:

## Action Plans

### HOPWA

#### Annual Action Plan - Planned Project Results

Outcomes and Objectives	Performance Indicators	Expected Number	Activity Description
DH-2	# of households served	516	TBRA housing assistance
DH-2	# of households served	607	STRMU housing assistance
DH-2	# of households served	1,043 <sup>74</sup>	Supportive Services (restricted to case mgt., smoke detectors, and phone service)
DH-1	# of households served	56	Permanent Housing Placement (security deposits, application fees, credit checks)

Key	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3

<sup>74</sup> This is based on total TBRA and STRMU households expected to be served. All HOPWA households are expected to receive case management services funded by multiple funding streams, including Ryan White, HOPWA, and other leveraged resources.



## **MONITORING**

### ***91.330 Monitoring***

*The consolidated plan must describe the standards and procedures that the State will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including the comprehensive planning requirements.*

(Approved by the Office of Management and Budget under control number 2506-0117)

[60 FR 1896, Jan. 5, 1995; 60 FR 4861, Jan. 25, 1995]

## **Monitoring**

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### **CDBG**

The State ensures compliance with program and comprehensive planning requirements through various compliance measures.

## **CDBG MONITORING**

The monitoring function of the Tx CDBG has four components: project implementation, contract management, audit, and monitoring compliance.

### **PROJECT IMPLEMENTATION**

Prior to the award of funds, each community is evaluated for compliance in prior contracts. The application scoring process at the state level includes a scoring factor for past performance on CDBG contracts. In addition, once a funding recommendation has been made the contract is routed through the Program Development, Compliance and Finance Divisions to verify that no outstanding issues in previously awarded contracts prevent the contract execution for the recommended award.

### **CONTRACT MANAGEMENT**

All open Tx CDBG projects are assigned to a specific Regional Coordinator who is responsible for contract compliance and project management. All projects have formal contracts that include all federal and state requirements. Regional Coordinators monitor progress and compliance through formal reporting procedures. Program Specialists for Labor Standards and Environmental compliance also exist under the Project Management function. Additionally, all reimbursement requests require complete supporting documentation before payment is made.

### **AUDIT**

The audit function is authorized by OMB A-133, which requires that governmental units and nonprofit organizations spending more than \$500,000 in either federal or state funds during their fiscal years ending after December 31, 2003, submit a copy of a Single Audit to the Agency. A Single Audit is required for desk review by TDRA regardless of whether there are findings noted in the audit pertaining to CDBG funds, since it is an additional monitoring tool used to evaluate the fiscal performance of grantees.

### **MONITORING COMPLIANCE**

The on-site programmatic reviews are conducted on every CDBG contract prior to close-out to ensure the contractual obligations of each grant are met. The projects are considered available for review when 75 percent of the contracted funds have been drawn down, and for construction projects, when construction has been substantially completed. Interim monitoring reviews may be conducted as necessary.

The areas reviewed include procurement procedures paid with CDBG funds or with match dollars, accounting records including copies of cancelled checks, bank statements and general ledgers (source documentation is reviewed at the time of draw requests), equipment purchases and/or procurement for small purchases, on-site review of environmental records, review of any applicable construction contracts, file review of any applicable client files for rehabilitation services, review of labor standards and/or a review of local files if internal staff used for construction projects, and a review of documentation on hand pertaining to fair housing and civil rights policies.

In addition to the formal monitoring function described above, the staff of the Compliance Division communicates with the staff of the Community Development Division as needed to evaluate issues throughout the contract implementation phase of CDBG contracts in order to identify and possibly resolve contract issues prior to the monitoring phase of the project.

## **HOME AND ESGP MONITORING**

TDHCA has established oversight and monitoring procedures within the TDHCA HOME, Compliance and Asset Oversight and Community Affairs divisions to ensure that activities are completed and funds are expended in accordance with contract provisions and applicable state and federal rules, regulations, policies, and related statutes. TDHCA's monitoring efforts are guided by both its responsibilities under the HOME and ESGP and its affordable housing goals for the State of Texas. These monitoring efforts include the following:

- Identifying and tracking program and project results
- Identifying technical assistance needs of subrecipients
- Ensuring timely expenditure of funds
- Documenting compliance with program rules
- Preventing fraud and abuse
- Identifying innovative tools and techniques that support affordable housing goals
- Ensuring quality workmanship in funded projects
- Long-term compliance
- Risk management
- Sanctions

### **IDENTIFYING AND TRACKING PROGRAM AND PROJECT RESULTS**

HOME contract and project activities are tracked through the TDHCA Contract System, including funds committed, pending projects, funds drawn, activities and contracts completed, and funds disbursed through the internet-based system, HUD's IDIS, and other reports generated as needed. The Contract System provides information necessary to track the success of the program and identify process improvements and administrator training needs. IDIS tracks HOME Program data such as commitment and disbursement activities, the number of units developed, the number of households assisted, the ongoing expenditures of HOME funds, and beneficiary information.

Other resources utilized by TDHCA to track project results include a performance team, to provide oversight and monitor contract progress, and an asset management division and loan servicing division. If either of these areas identifies problems, steps are taken to resolve the issue, including project workouts and oversight of reserve accounts. Real Estate Analysis, the division for underwriting economic feasibility pre-award, is also responsible for identification of high risk housing developments, and is responsible for review of housing sponsored annual financial statements and other asset management functions during the affordability period. Finally, the establishment of a Physical Inspections section in the Compliance Division assists with maintaining quality and integrity during project construction.

ESGP project and contract activities are tracked through TDHCA's website, which maintains an Oracle-based reports system. This system maintains funds drawn, funds expended, performance data, and other reports as needed. ESGP data such as commitment and disbursement activities, number of persons assisted, ongoing expenditures, and program activities are also tracked through HUD's IDIS.

## **IDENTIFYING TECHNICAL ASSISTANCE NEEDS SUBRECIPIENTS**

Identification of technical assistance needs for HOME and ESGP subrecipients is performed through analysis of administrator management practices, analysis of sources used by TDHCA to track technical assistance such as information captured in the HOME Division Database and Contract System, review of documentation submitted, desk reviews based on the requirements identified in the Compliance Supplement and State Affordable Housing Program requirements, project completion progress, results of on-site audits, technical assistance visits, phone calls, monitoring visits, and desk reviews conducted by Department staff.

## **ENSURING TIMELY EXPENDITURE OF FUNDS**

TDHCA ensures adequate progress is made toward committing and expending HOME and ESGP funds. Regular review of internal reports and data from IDIS is performed to assess progress of fund commitment and to ensure that all funds are committed by the expiration date of 24 months from the last day of the month in which HUD and TDHCA enter into an Agreement. Performance deadlines for spending and matching funds are reviewed on a monthly basis to track expenditure totals. HOME set-aside requirements are also tracked as a part of the HOME Fund Balance Report, which reports the Division's status of HOME funds including program income and deobligated funds. The Department has also added performance benchmarks in the Department's rules and as part of its written agreements with subrecipients as further incentive of timely expenditure of funds.

## **DOCUMENTING COMPLIANCE WITH PROGRAM RULES**

Compliance with program rules is documented through contract administration and other formal monitoring processes. Staff document compliance issues as part of their ongoing contract management reviews and notify administrators of any noncompliance and required corrective action. On-site reviews, including physical onsite project site inspections of a representative sample of project sites, on-site reviews of client files, shelters, and the delivery of services are conducted with summarized reports identifying necessary corrective actions.

TDHCA has developed a set of standards for HOME administrators to follow to ensure that subcontractors and lower-tiered organizations entering into contractual agreements with administrators perform activities in accordance with contract provisions and applicable state and federal rules, regulations, policies, and related statutes.

TDHCA maintains a database to document an administrator's compliance history with rental housing developments. During the application process the previous participation of the applicant is evaluated. If there are any minor uncorrected issues of noncompliance identified, the request for funding will be denied unless those issues are corrected. If material noncompliance is identified, the application is terminated. The compliance history is considered by TDHCA's Board prior to finalizing awards and evaluated again prior to execution of written agreements.

## **PREVENTING FRAUD AND ABUSE**

TDHCA monitors for mismanagement of funds in the HOME and ESGP during onsite visits through a review of supporting documentation provided by the administrator and through information gathered

## ***Monitoring***

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### ***HOME and ESGP***

from outside sources. This is done throughout the contract period to ensure that funds are spent on eligible activities. If an administrator mismanages funds, sanctions are enforced and disallowed costs are refunded to TDHCA. Also, if fraud is suspected, TDHCA makes referrals and works closely with HUD, the State Auditor's Office, the Inspector General, the Internal Revenue Service, and local law enforcement agencies as applicable.

## **IDENTIFYING INNOVATIVE TOOLS AND TECHNIQUES THAT SUPPORT AFFORDABLE HOUSING GOALS**

Staff identifies innovative tools and techniques to support affordable housing goals by attending trainings and conferences, maintaining contact with other state affordable housing agencies, and through the HUD internet listserv and HUD website.

## **ENSURING QUALITY IN FUNDED PROJECTS**

Ensuring the administrator provides the committed product, amenities and compliance with accessibility requirements is a Departmental priority. Staff ensures the quality of workmanship in HOME-funded projects through the inspection process. TDHCA staff, in conjunction with Manufactured Housing Inspectors, conducts inspections to substantiate the quality of the work performed. Deficiencies and concerns are identified during an initial inspection, with corrective action required by construction completion. The clearance of a final inspection is required of all rental housing developments funded by the Department.

TDHCA staff has attended trainings and become familiar with the construction standards of Section 504, Rehabilitation Act of 1973. Manufactured Housing Inspection Staff assisting with conducting inspections have been given the necessary tools to thoroughly complete these inspections and are provided annual training by Department staff on the procedures, expectations, and accessibility requirements.

Other processes used to ensure quality workmanship have included plan reviews. With the 2006 commitments the Department will require plans to have architectural sign off on specifications, and confirm compliance with committed amenities and compliance with any accessibility requirements.

## **LONG-TERM COMPLIANCE**

The Compliance and Asset Oversight Division is responsible for long term monitoring of income eligibility and tenure of affordability for applicable HOME projects. In other cases where written agreements require long-term oversight (such as land use restrictive covenants), reporting and enforcement procedures have been implemented.

The CAO division performs on-site monitoring visits in accordance with the requirements of the HOME Program and Department policies and procedures, as described in the Financing/Loan Agreements, Deed Restrictions, and Regulatory and Land Use Restriction Agreement. If a property participates in more than one housing program, the most restrictive monitoring procedure is followed.

## **RISK MANAGEMENT**

HOME contracts are monitored based on a risk assessment model that is updated on an annual basis or more frequently if required. Some of the elements of the Risk Assessment Model may include the type of activity, existence of a construction component, Davis/Bacon requirements, results of previous on-site

visits, status of the most recent monitoring report, amount funded, previous administrator experience, entity type, and Single Audit status. In addition to the results of the risk assessment survey, referrals from division staff are considered when determining in depth monitoring reviews or required technical assistance. An emphasis is placed on monitoring of contracts within the current draw period and contracts with projects in the affordability period as defined by HUD.

If complaints are received by the Department, they are considered a risk management element and will be reviewed in detail. Supplemental monitoring activities will be performed to ensure program compliance and detection of possible fraud or mismanagement.

The Risk Assessment Model is also implemented for ESGP. Some of the elements of the Risk Assessment Model include the following: length of time since last on-site visit, results of last on-site visit, status of most recent monitoring report, timeliness of grant reporting, total amount funded during assessment period, total amount funded for all TDHCA contracts during assessment period, number of TDHCA contracts funded during assessment period, and Single Audit Status. In addition to the results of the risk assessment survey consideration is also given to recommendations made from other TDHCA divisions regarding performance with other TDHCA-funded programs.

TDHCA monitors ESGP subrecipients based on an assessment of associated risks. The assessment of associated risks utilizes factors developed by the Department's Compliance and Asset Oversight Division in conjunction with the Community Affairs Division. The factors include the status of the most recent monitoring report, timeliness of grant reporting, results of the last on-site monitoring review, number and dollar amounts of Department funds contracts and single audit issues. Subrecipients with the highest rankings are considered high risk and will receive an on-site monitoring review. Subrecipients with low rankings will have a desk review conducted. During the monitoring review, staff determine subrecipients' compliance with the ESGP contract, ESGP State Regulations, State Policy Issuances, 24 CFR Ch V, Part 576, OMB Circulars related to expenditure of funds, and requirements of Chapter 58 of the Environmental Protection Act as it relates to projects funded for rehabilitation, conversion, or renovation.

## **SANCTIONS**

Based on the results of ongoing HOME monitoring, sanctions are imposed for noncompliance issues based on the severity of noncompliance, which may include delays in project set-ups, draw request processing, questioned/disallowed costs, suspension of the contract, or contract termination. When necessary, the Executive Director executes a referral to the State Auditor's Office for investigation of fraud as required by Section 321.022(a) of the Texas Government Code. Sanctions imposed may affect future application requests and scoring. In addition, if fraud or mismanagement of funds is suspected, TDHCA will make referrals and work closely with HUD, the State Auditor's Office, the Inspector General, the Internal Revenue Service, and local law enforcement agencies as applicable.

The majority of HOME administrators comply with program rules and regulations. However, for the handful who do not, after technical assistance and a corrective action period is provided, administrative penalties are considered. The Department has the authority to assess administrative penalties for event of noncompliance, ranging from \$100 to up to \$1000 per day for serious noncompliance events. Although still in its infancy, the administrative penalty process is proving to be a successful and effective tool for restoring compliance.

## ***Monitoring***

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### ***HOME and ESGP***

In addition, the Department has the ability to debar individuals and companies from participation in our programs. Debarred entities will be listed as such on the Department's website which will likely affect their ability to be awarded contracts with other state and federal agencies.

The results of ongoing ESGP monitoring will also determine if sanctions are imposed for noncompliance issues. Sanctions range from the use of the cost reimbursement method of payment, deobligation of funds, suspension of funds, and termination of the contract. TDHCA's legal staff is notified and referrals are made to the Attorney General's Office. Sanctions imposed affect the future consideration of ESGP applications for funding.



## **HOPWA MONITORING**

A team of 7 DSHS Field Operations staff monitor the AAs' HOPWA administration activities, and the AAs monitor the Project Sponsors for HOPWA program compliance. This monitoring involves periodic site visits, technical assistance, and the submission of quarterly progress reports. Desk audits are conducted by the Contract Management Unit at the division level in DSHS. Additionally, fiscal audits are conducted as part of a centralized service of DSHS, the Contract Monitoring and Oversight Section, directly under the Chief Operations Officer.

Administrative Agencies and Project Sponsors are required to comply with HUD regulations, the DSHS Program Manual and their contractual Statement of Work. The DSHS HOPWA program manual is located at <http://www.dshs.state.tx.us/hivstd/fieldops/hopwa.shtm>. The HOPWA monitoring tool is located at [http://www.dshs.state.tx.us/hivstd/fieldops/page\\_02/hopwa.doc](http://www.dshs.state.tx.us/hivstd/fieldops/page_02/hopwa.doc). The HOPWA Statement of Work is located at [http://www.dshs.state.tx.us/hivstd/funding/hopwa/HOPWA\\_Renewal.doc](http://www.dshs.state.tx.us/hivstd/funding/hopwa/HOPWA_Renewal.doc). Principles for fiscal administration are established by the Texas Uniform Grants Management Standards located at <http://www.governor.state.tx.us/divisions/stategrants/files/UGMS062004.doc>. The requirements for project monitoring are established by DSHS in the Administrative Agency Core Competencies document located at [http://www.dshs.state.tx.us/hivstd/pops/pdf/pdf\\_administrative\\_duties\\_standards.pdf](http://www.dshs.state.tx.us/hivstd/pops/pdf/pdf_administrative_duties_standards.pdf).

**Monitoring**

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**HOPWA**

**CERTIFICATIONS****§ 91.325 Certifications****(a) General**

(1) **Affirmatively furthering fair housing.** Each State is required to submit a certification that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the State, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard. (See Sec. 570.487(b)(2)(ii) of this title.)

(2) **Anti-displacement and relocation plan.** The State is required to submit a certification that it has in effect and is following a residential antidisplacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG or HOME programs.

(3) **Anti-lobbying.** The State must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(4) **Authority of State.** The State must submit a certification that the consolidated plan is authorized under State law and that the State possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

(5) **Consistency with plan.** The State must submit a certification that the housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

(6) **Acquisition and relocation.** The State must submit a certification that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR part 24.

(7) **Section 3.** The State must submit a certification that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

**(b) Community Development Block Grant program.** For States that seek funding under CDBG, the following certifications are required:

(1) **Citizen participation.** A certification that the State is following a detailed citizen participation plan that satisfies the requirements of Sec. 91.115, and that each unit of general local government that is receiving assistance from the State is following a detailed citizen participation plan that satisfies the requirements of Sec. 570.486 of this title.

(2) **Consultation with local governments.** A certification that:

(i) It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;

(ii) It engages or will engage in planning for community development activities;

(iii) It provides or will provide technical assistance to units of general local government in connection with community development programs;

(iv) It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected; and

(v) Each unit of general local government to be distributed funds will be required to identify its community development and housing needs, including the needs of the low-income and moderate-income families, and the activities to be undertaken to meet these needs.

(3) **Community development plan.** A certification that this consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the statute authorizing the CDBG program, as described in 24 CFR 570.2, and requirements of this part and 24 CFR part 570.

(4) **Use of funds.** A certification that the State has complied with the following criteria:

(i) With respect to activities expected to be assisted with CDBG funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The plan may also include CDBG-assisted activities that are certified to be designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs;

## Certifications

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### Legislation

- (ii) The aggregate use of CDBG funds, including section 108 guaranteed loans, during a period specified by the State, consisting of one, two, or three specific consecutive program years, shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period (see 24 CFR 570.481 for definition of "CDBG funds"); and
- (iii) The State will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than with CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds if the State certifies that it lacks CDBG funds to cover the assessment.
- (5) Compliance with anti-discrimination laws. A certification that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.
- (6) Excessive force. A certification that the State will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:
- (i) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
- (ii) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.
- (7) Compliance with laws. A certification that the State will comply with applicable laws.
- (c) Emergency Shelter Grant program. For States that seek funding under the Emergency Shelter Grant program, a certification is required by the State that it will ensure that its State recipients comply with the following criteria:
- (1) In the case of assistance involving major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for not less than a 10-year period;
- (2) In the case of assistance involving rehabilitation less than that covered under paragraph (d)(1) of this section, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for not less than a three-year period;
- (3) In the case of assistance involving essential services (including but not limited to employment, health, drug abuse, or education) or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served;
- (4) Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary;
- (5) It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal, State, local, and private assistance available for such individuals;
- (6) It will obtain matching amounts required under Sec. 576.71 of this title;
- (7) It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter;
- (8) To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted under the program, and in providing services for occupants of facilities assisted under the program; and
- (9) It is following a current HUD-approved consolidated plan.

(10) A certification that the state has established a policy for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care, or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

(d) HOME program. Each State must provide the following certifications:

(1) If it plans to use program funds for tenant-based rental assistance, a certification that rental-based assistance is an essential element of its consolidated plan;

(2) A certification that it is using and will use HOME funds for eligible activities and costs, as described in Sec. Sec. 92.205 through 92.209 of this subtitle and that it is not using and will not use HOME funds for prohibited activities, as described in Sec. 92.214 of this subtitle; and

(3) A certification that before committing funds to a project, the State or its recipients will evaluate the project in accordance with guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other federal assistance than is necessary to provide affordable housing.

(e) Housing Opportunities for Persons With AIDS. For States that seek funding under the Housing Opportunities for Persons With AIDS program, a certification is required by the State that:

(1) Activities funded under the program will meet urgent needs that are not being met by available public and private sources; and

(2) Any building or structure purchased, leased, rehabilitated, renovated, or converted with assistance under that program shall be operated for not less than 10 years specified in the plan, or for a period of not less than three years in cases involving non-substantial rehabilitation or repair of a building or structure.

(Approved by the Office of Management and Budget under control number 2506-0117)

[60 FR 1896, Jan. 5, 1995, as amended at 71 FR 6970, Feb. 9, 2006; 72 FR 73493, Dec. 27, 2007]

## **DUNS NUMBERS**

The Data Universal Numbering System (DUNS) number for the Texas Department of Housing and Community Affairs (TDHCA) is 806781902. The DUNS number for the Texas Department of State Health Services (DSHS) is 807391511. The DUNS number for the Texas Department of Rural Affairs (TDRA) is 137053125.

## **CERTIFICATION FORMS**

**CERTIFICATIONS**

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

**Affirmatively Further Fair Housing --** The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

**Anti-displacement and Relocation Plan --** It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

**Drug Free Workplace --** It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about –
  - (a) The dangers of drug abuse in the workplace;
  - (b) The grantee's policy of maintaining a drug-free workplace;
  - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
  - (a) Abide by the terms of the statement; and
  - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

## Certifications

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:
  - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

**Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:**

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of Jurisdiction --** The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan --** The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

**Section 3 --** It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

  
Signature/Authorized Official

11.09.07  
Date

**EXECUTIVE DIRECTOR**  
Title



**Specific CDBG Certifications**

The State certifies that:

**Citizen Participation** -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

**Consultation with Local Governments** -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

**Local Needs Identification** -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

**Community Development Plan** -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

**Use of Funds** -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2009, 10, and 11 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. **Special Assessments.** The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

**Excessive Force** -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

**Compliance With Anti-discrimination laws** -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

**Compliance with Laws** -- It will comply with applicable laws.

  
Signature/Authorized Official

11/17/09  
Date

  
Title

**ESG Certifications**

The Emergency Shelter Grantee certifies that:

**Major rehabilitation/conversion** -- It will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the jurisdiction plans to use funds for rehabilitation (other than major rehabilitation or conversion), the applicant will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

**Essential Services and Operating Costs** -- Where assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

**Renovation** -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

**Supportive Services** -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance.

**Matching Funds** -- It will obtain matching amounts required under 24 CFR 576.51.

**Confidentiality** -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

**Homeless Persons Involvement** -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, operating facilities, and providing services assisted through this program.

**Consolidated Plan** -- It is following a current HUD-approved Consolidated Plan or CHAS.

**Discharge Policy** --- It has established a policy for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

**HMIS** -- It will comply with HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.

  
 Signature/Authorized Official                      11.07.09  
 Date

EXECUTIVE DIRECTOR  
 Title

## Certifications

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### Specific HOME Certifications

The HOME participating jurisdiction certifies that:

**Tenant Based Rental Assistance** -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

**Eligible Activities and Costs** -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

**Appropriate Financial Assistance** -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.

  
Signature/Authorized Official      11-09-09  
Date

EXECUTIVE DIRECTOR  
Title

**HOPWA Certifications**

The State HOPWA grantee certifies that:

**Activities** -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

**Building** -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

 12/1/09  
Signature/Authorized Official Date

*Astt. Commissioner*

Title

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**APPENDIX TO CERTIFICATIONS**

**INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:**

**A. Lobbying Certification**

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**B. Drug-Free Workplace Certification**

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

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Check  if there are workplaces on file that are not identified here.

The certification with regard to the drug-free workplace is required by 24 CFR part 24, subpart F.

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of *nolo contendere*) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

**Certifications**

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**Citizen Participation Plan**

**§ 91.115 Citizen participation plan - States.**

**(a) Applicability and adoption of the citizen participation plan.**

(1) The State is required to adopt a citizen participation plan that sets forth the State's policies and procedures for citizen participation. (Where a State, before March 6, 1995, adopted a citizen participation plan that complies with section 104(a)(3) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(A)(3)) but will need to amend the citizen participation plan to comply with provisions of this section, the citizen participation plan shall be amended by the first day of the State's program year that begins on or after 180 days following March 6, 1995.)

(2) Encouragement of citizen participation. The citizen participation plan must provide for and encourage citizens to participate in the development of the consolidated plan, any substantial amendments to the consolidated plan, and the performance report. These requirements are designed especially to encourage participation by low- and moderate-income persons, particularly those living in slum and blighted areas and in areas where CDBG funds are proposed to be used and by residents of predominantly low- and moderate-income neighborhoods, as defined by the State. A State also is expected to take whatever actions are appropriate to encourage the participation of all its citizens, including minorities and non-English speaking persons, as well as persons with disabilities.

(3) Citizen and local government comment on the citizen participation plan and amendments. The State must provide citizens and units of general local government a reasonable opportunity to comment on the original citizen participation plan and on substantial amendments to the citizen participation plan, and must make the citizen participation plan public. The citizen participation plan must be in a format accessible to persons with disabilities, upon request.

**(b) Development of the consolidated plan.** The citizen participation plan must include the following minimum requirements for the development of the consolidated plan.

(1) The citizen participation plan must require that, before the State adopts a consolidated plan, the State will make available to citizens, public agencies, and other interested parties information that includes the amount of assistance the State expects to receive and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low- and moderate-income and the plans to minimize displacement of persons and to assist any persons displaced. The citizen participation plan must state when and how the State will make this information available.

(2) The citizen participation plan must require the State to publish the proposed consolidated plan in a manner that affords citizens, units of general local governments, public agencies, and other interested parties a reasonable opportunity to examine its contents and to submit comments. The citizen participation plan must set forth how the State will publish the proposed consolidated plan and give reasonable opportunity to examine the contents of the proposed consolidated plan.

The requirement for publishing may be met by publishing a summary of the proposed consolidated plan in one or more newspapers of general circulation, and by making copies of the proposed consolidated plan available at libraries, government offices, and public places. The summary must describe the contents and purpose of the consolidated plan, and must include a list of the locations where copies of the entire proposed consolidated plan may be examined. In addition, the State must provide a reasonable number of free copies of the plan to citizens and groups that request it.

(3) The citizen participation plan must provide for at least one public hearing on housing and community development needs before the proposed consolidated plan is published for comment.

(i) The citizen participation plan must state how and when adequate advance notice will be given to citizens of the hearing, with sufficient information published about the subject of the hearing to permit informed comment. (Publishing small print notices in the newspaper a few days before the hearing does not constitute adequate notice. Although HUD is not specifying the length of notice required, it would consider two weeks adequate.)

(ii) The citizen participation plan must provide that the hearing be held at a time and location convenient to potential and actual beneficiaries, and with accommodation for persons with disabilities. The citizen participation plan must specify how it will meet these requirements.

(iii) The citizen participation plan must identify how the needs of non-English speaking residents will be met in the case of a public hearing where a significant number of non-English speaking residents can be reasonably expected to participate.

## Citizen Participation Plan

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### Legislation

(4) The citizen participation plan must provide a period, not less than 30 days, to receive comments from citizens and units of general local government on the consolidated plan.

(5) The citizen participation plan shall require the State to consider any comments or views of citizens and units of general received in writing, or orally at the public hearings, in preparing the final consolidated plan. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, shall be attached to the final consolidated plan.

#### (c) Amendments

(1) Criteria for amendment to consolidated plan. The citizen participation plan must specify the criteria the State will use for determining what changes in the State's planned or actual activities constitute a substantial amendment to the consolidated plan. (See Sec. 91.505.) It must include among the criteria for a substantial amendment changes in the method of distribution of such funds.

(2) The citizen participation plan must provide citizens and units of general local government with reasonable notice and an opportunity to comment on substantial amendments. The citizen participation plan must state how reasonable notice and an opportunity to comment will be given.

The citizen participation plan must provide a period, not less than 30 days, to receive comments on the substantial amendment before the amendment is implemented.

(3) The citizen participation plan shall require the State to consider any comments or views of citizens and units of general local government received in writing, or orally at public hearings, if any, in preparing the substantial amendment of the consolidated plan. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, shall be attached to the substantial amendment of the consolidated plan.

#### (d) Performance Reports.

(1) The citizen participation plan must provide citizens with reasonable notice and an opportunity to comment on performance reports. The citizen participation plan must state how reasonable notice and an opportunity to comment will be given. The citizen participation plan must provide a period, not less than 15 days, to receive comments on the performance report that is to be submitted to HUD before its submission.

(2) The citizen participation plan shall require the state to consider any comments or views of citizens received in writing, or orally at public hearings in preparing the performance report. A summary of these comments or views shall be attached to the performance report.

(e) Citizen participation requirements for local governments. The citizen participation plan must describe the citizen participation requirements for units of general local government receiving CDBG funds from the State in 24 CFR 570.486. The citizen participation plan must explain how the requirements will be met.

(f) Availability to the public. The citizen participation plan must provide that the consolidated plan as adopted, substantial amendments, and the performance report will be available to the public, including the availability of materials in a form accessible to persons with disabilities, upon request. The citizen participation plan must state how these documents will be available to the public.

(g) Access to records. The citizen participation plan must require the state to provide citizens, public agencies, and other interested parties with reasonable and timely access to information and records relating to the state's consolidated plan and the state's use of assistance under the programs covered by this part during the preceding five years.

(h) Complaints. The citizen participation plan shall describe the State's appropriate and practicable procedures to handle complaints from citizens related to the consolidated plan, amendments, and performance report. At a minimum, the citizen participation plan shall require that the State must provide a timely, substantive written response to every written citizen complaint, within an established period of time (within 15 working days, where practicable, if the State is a CDBG grant recipient).

(i) Use of citizen participation plan. The State must follow its citizen participation plan.

(Approved by the Office of Management and Budget under control number 2506-0117)

**§ 91.505 Amendments to the consolidated plan.**

- (a) **Amendments to the plan.** The jurisdiction shall amend its approved plan whenever it makes one of the following decisions:
- (1) To make a change in its allocation priorities or a change in the method of distribution of funds;
  - (2) To carry out an activity, using funds from any program covered by the consolidated plan (including program income), not previously described in the action plan; or
  - (3) To change the purpose, scope, location, or beneficiaries of an activity.
- (b) **Criteria for substantial amendment.** The jurisdiction shall identify in its citizen participation plan the criteria it will use for determining what constitutes a substantial amendment. It is these substantial amendments that are subject to a citizen participation process, in accordance with the jurisdiction's citizen participation plan. (See Secs. 91.105 and 91.115.)
- (c) **Submission to HUD.**
- (1) Upon completion, the jurisdiction must make the amendment public and must notify HUD that an amendment has been made. The jurisdiction may submit a copy of each amendment to HUD as it occurs, or at the end of the program year. Letters transmitting copies of amendments must be signed by the official representative of the jurisdiction authorized to take such action.
  - (2) See subpart B of this part for the public notice procedures applicable to substantial amendments. For any amendment affecting the HOPWA program that would involve acquisition, rehabilitation, conversion, lease, repair or construction of properties to provide housing, an environmental review of the revised proposed use of funds must be completed by HUD in accordance with 24 CFR 574.510.

(Approved by the Office of Management and Budget under control number 2506-0117)

## **ENCOURAGEMENT OF CITIZEN PARTICIPATION**

The Texas Department of Housing and Community Affairs (TDHCA) is the lead agency for the development and approval of the 2010-2014 State of Texas Consolidated Plan. All of the programs covered by the Plan are administered by TDHCA, with the exception of the Housing Opportunities for People with AIDS (HOPWA) Program, which is administered by the Texas Department of State Health Services, and the Community Development Block Grant (CDBG) Program, which is administered by the Texas Department of Rural Affairs.

Throughout the year, the Department gathers public input at public hearings, roundtable discussions, Board of Directors meetings as well as attending meetings of other organizations to participate in various partnerships. These events are held during and after working hours to provide schedule flexibility for participants. Spanish speaking staff members often attend the venues at which public input is gathered to help communicate those who only speak Spanish. Translators can be made available at public meetings, if requested. In addition, the hearing sites, roundtable discussions and Board of Directors meetings are accessible to persons with disabilities.

## **ALTERNATIVE CITIZEN PARTICIPATION TECHNIQUES**

The Department also uses technology to communicate more efficiently. In an effort to gather information from specific audiences, TDHCA conducts online surveys. Online surveys increase the response rate of participants as well as allowing for faster data analysis. This survey method also includes the Community Needs Survey, which was designed to provide TDHCA with an understanding of housing and community assistance needs at the local level. The survey gave local officials and housing and community service professionals, who are most familiar with the unique characteristics of their communities, an opportunity to inform TDHCA about how their needs can be most effectively addressed. Data collected by the survey will serve as a valuable resource in program planning when determining how to best target funds and serve local communities.

In addition, TDHCA added the use of webcasts to allow the public to attend certain conferences remotely, thus removing the financial burden of travel. Furthermore, TDHCA sends out notices via listserv announcements which create fast communication to a large audience. Finally, TDHCA updates its website on a consistent basis with programmatic information to improve communication with the public.

## **PUBLIC HEARINGS**

The Consolidated Plan was available for a 38-day public comment period from September 18, 2009, through October 26, 2009. The public hearing schedule for the Plan was published in the Texas Register. Hearings on the 2010-2014 State of Texas Consolidated Plan were held in Dallas, El Paso, Harlingen, Houston, Austin and Lubbock. Public comment on the Plan was also taken at the September TDHCA Board Meeting in Austin. The notification process for the public hearings included the following: a notice in the Texas Register, a TDHCA website posting and email to TDHCA email lists including approximately 3,000 cities, counties, and developers.

The draft Plan was available for public comment from September 18 to October 26. During this time, printed copies of the draft Plan will be available from TDHCA for those requesting them and electronic copies were available for download from TDHCA's website.

To provide the public with an opportunity to provide comment on the Department's policy and planning documents, the Department consolidated the following planning documents' required hearings into six public hearings:

- *State of Texas Consolidated Plan*
- *Housing Tax Credit Program Qualified Allocation Plan*
- *Real Estate Analysis Rule*
- *Multifamily Housing Revenue Bond Rule*
- *Compliance Rule*
- *Regional Allocation Formula*
- *Affordable Housing Needs Score*

Approximately 41 individuals attended the consolidated public hearings. Transcripts of public hearings and complete copies of submitted comments are also available in the Division of Policy and Public Affairs Library, which is open to the public 8 am to 5 pm, Monday through Friday. For more information, please contact the Division of Policy and Public Affairs at (512) 475-3975. Public comment received on the Plan is included in the final tab of this document. For those comments not incorporated into the final Plan, reasons will be given as to why they were excluded.

The CDBG citizen participation requirements applicable to their recipients are included in the CDBG portion of the Consolidated Plan.

## **TDRA CDBG ACTION PLAN HEARINGS**

July 13, 2009

Southeast Texas Regional Planning Commission (SETRPC)

2210 Eastex Freeway

Beaumont, TX 77703

6:00 PM

Summary of Public Comment and Response:

Lesley Waxman regarding State Review Committee – how will the appeals be handled now that there isn't a State Review Committee?

Response: Any appeals will be handled through a new appeals process recently added to the Texas CDBG section of the Texas Administrative Code.

July 13, 2009

South Plains Association of Governments (SPAG)

1323 58th Street

## ***Citizen Participation Plan***

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Lubbock, TX 79412

6:30 PM

### **Summary of Public Comment and Response:**

No comments were received.

July 16, 2009

Stephen F. Austin Building

1700 North Congress Avenue, Room 220S

Austin, Texas 78701

4:00 PM

Webinar – held concurrently 7/16/2009

### **Summary of Public Comment and Response:**

No comments were received.

July 20, 2009

Coastal Bend Council of Government (CBCOG)

2910 Leopard Street

Corpus Christi, 78408

10:30 AM

## **CRITERIA FOR AMENDMENT TO THE CONSOLIDATED PLAN**

A change of over 30 percent in the funding of individual program categories contained in the Consolidated Plan (whether planned or actual activities) will be considered a substantial amendment.

## **OPPORTUNITY PROVIDED FOR COMMENT ON ANY PROPOSED SUBSTANTIAL AMENDMENTS**

If a substantial amendment is needed, then reasonable notice will be given to citizens and units of general local government, and opportunity will be given to receive their comments for no less than 30 days after notice is given.

## **DISPOSITION OF COMMENTS RECEIVED ON ANY PROPOSED SUBSTANTIAL AMENDMENTS**

Any comments or views received, either in writing or orally, will be considered in the preparation of the substantial amendment to the Consolidated Plan. A summary of those comments or views and an indication of whether they were accepted or not (if not, the reasons for not doing so will be stated) shall be attached to the subsequent amendment to the Consolidated Plan.

## **PERFORMANCE REPORT**

The 2010 Consolidated Plan Annual Performance Report will be prepared analyzing the results of the 2010-2014 Consolidated Plan.

## **ACCESS TO RECORDS**

Information and records relating to the Consolidated Plan and the State's use of assistance under the programs covered by the Plan over the preceding five years are available in accordance with the Texas Open Records Act.

## **COMPLAINTS**

The State will provide a timely, substantive written response to every written complaint received that conforms to TDHCA's Complaint System 10 TAC Sec. 1.2. Copies of this procedure are available upon request.





## **PUBLIC COMMENT ON THE 2010-2014 CONSOLIDATED PLAN**

The comments summarized below were received during the 6 consolidated public hearings or submitted in writing directly to the Department. In total only two comments were received.

### **COMMENT: HOME ACTION PLAN**

Commenter initially requests changing the 2010 HOME funding plan to allocate additional funds to the Community Housing Development Organization (CHDO) set-aside and subsequently requests the Department change the funding plan to decrease the allocation toward single family activities and increase the allocation to multifamily activities. (Wade Bienski, Chief Program Administrator, Affordable Caring Housing; Don Maison, President & CEO, AIDS Services of Dallas; Liam Mulvaney, President & CEO, LifeNet)

#### *Department Response:*

The Department uses several need indicators in its Housing Needs Assessment and historical data to determine programming of HOME funds toward single family and multifamily housing activities. Furthermore, the Department allocated an additional \$2,000,000 million in estimated program income toward multifamily program activities for program year 2010.

Statutory restrictions stipulate the Department may not give preference to nonprofit providers of affordable housing, except as required by federal law. Additionally, statute requires the Department expend 95% of its annual HOME allocation in Non Participating Jurisdictions, which are typically rural areas of the state.

While the Department has taken steps to meet the outstanding requests for multifamily funds, given current need and statutory requirements, the Department does not recommend allocating additional funds toward the CHDO or multifamily set-aside at this time. Further the CHDO set-aside of funds is not historically oversubscribed to support sufficient demand to increase their allocation.

### **COMMENT: HOME ACTION PLAN**

Commenter requests the Department consider providing gap funding through the allocation of State HOME funds to the City of Midland, so the city may meet threshold requirements to become a Participating Jurisdiction (PJ) and receive future funding directly from the U.S. Department of Housing and Urban Development. (Sylvester Cantu, Community Development Administrator, City of Midland)

#### *Department Response:*

The U.S. Department of Housing and Urban Development outlines the process for designation as a Participating Jurisdiction at 24 CFR §92.100-105. The Department welcomes the opportunity to partner with Units of General Local Government. It appears the City of Midland may be in the beginning stages of considering the formal process for PJ designation and Department staff is available for participation in future discussions. Additionally, until Midland becomes a Participating Jurisdiction it will continue to be eligible to apply for TDHCA HOME funds.